

CIRCULAR DATED 8 DECEMBER 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Circular is issued by, as applicable, Eagle Hospitality REIT Management Pte. Ltd., in its capacity as manager (the “**EH-REIT Manager**”) of Eagle Hospitality Real Estate Investment Trust (“**EH-REIT**”), DBS Trustee Limited, in its capacity as trustee of EH-REIT (the “**EH-REIT Trustee**”) and Eagle Hospitality Business Trust Management Pte. Ltd., in its capacity as trustee-manager (the “**EH-BT Trustee-Manager**”, collectively with the EH-REIT Manager, the “**Managers**”) of Eagle Hospitality Business Trust (“**EH-BT**”). If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your Stapled Securities (as defined herein) in the stapled group comprising EH-REIT and EH-BT (“**EHT**”), you should immediately inform the purchaser or the transferee or the stockbroker, bank or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of EGM and the accompanying Proxy Form) may be accessed on SGXNET and EHT’s website at <https://eagleht.com>.

This Circular is not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States. The Stapled Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state of the United States or other jurisdiction, and the Stapled Securities may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Any public offering of securities of EHT in the United States would be made by means of a prospectus that would contain detailed information about EHT, the Managers as well as financial statements. The Managers do not intend to conduct a public offering of securities of EHT in the United States.

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Circular.

DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of EHT.

This Circular has been made available on SGXNET and EHT’s website and may be accessed at <https://eagleht.com>. A printed copy of this Circular will NOT be despatched to Stapled Securityholders. However, Stapled Securityholders can make an appointment with the Managers at enquiry@eagleht.com to collect copier-generated hardcopies of the Circular, the Notice of EGM and the Proxy Form from the registered office of the Managers located at 8 Marina Boulevard, #11-15/17, Marina Bay Financial Centre Tower 1, Singapore 018981, up to 23 December 2020.

Due to the current COVID-19 restriction orders in Singapore, Stapled Securityholders will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Stapled Securityholders to participate in the EGM by (a) watching the EGM proceedings via “live” audio-and-video webcast or listening to the EGM proceedings via “live” audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by appointing the Chairman of the EGM as proxy at the EGM.

Please refer to Paragraph 7.1 of this Circular and the announcement dated 8 December 2020 titled “Electronic Despatch of Circular and Alternative Arrangements relating to the Extraordinary General Meeting to be held on 30 December 2020” which has been uploaded together with this Circular on SGXNET for further information, including the steps to be taken by Stapled Securityholders to participate in the EGM. Such announcement may also be accessed on SGXNET and EHT’s website at <https://eagleht.com>.

Stapled Securityholders should note that further changes may be made to EHT’s EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 Act and any regulations promulgated thereunder (including the COVID-19 Order) as well as other guidelines issued by the relevant authorities) as the situation evolves. Stapled Securityholders are advised to keep abreast of any such changes as may be announced by the Managers and/or the EH-REIT Trustee as may be made from time to time on SGXNET.



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.
(Company Registration Number: 201829789W)

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.
(Company Registration Number: 201829816K)

CIRCULAR TO STAPLED SECURITYHOLDERS

IN RELATION TO

THE PROPOSED CHANGE OF MANAGERS AND RELATED MATTERS

- (1) THE PROPOSED APPOINTMENT OF SCCPRE HOSPITALITY REIT MANAGEMENT PTE. LTD. AS THE NEW REIT MANAGER OF EAGLE HOSPITALITY REAL ESTATE INVESTMENT TRUST (ORDINARY RESOLUTION)
- (2) THE PROPOSED BASE FEE SUPPLEMENT TO THE TRUST DEED OF EAGLE HOSPITALITY REAL ESTATE INVESTMENT TRUST TO REFLECT THE PROPOSED BASE FEE STRUCTURE OF THE NEW REIT MANAGER AS AN INTERESTED PERSON TRANSACTION (EXTRAORDINARY RESOLUTION)
- (3) THE PROPOSED APPOINTMENT OF SCCPRE HOSPITALITY BUSINESS TRUST MANAGEMENT PTE. LTD. AS THE NEW TRUSTEE-MANAGER OF EAGLE HOSPITALITY BUSINESS TRUST AND WAIVER OF THE 14-DAYS' NOTICE PERIOD REQUIRED UNDER REGULATION 14(3)(B) OF THE BUSINESS TRUSTS REGULATIONS (ORDINARY RESOLUTION)
- (4) THE PROPOSED AUTHORITY FOR THE ISSUANCE OF UP TO 140,000,000 NEW STAPLED SECURITIES AT THE ISSUE PRICE PER STAPLED SECURITY FOR PAYMENT OF THE BASE FEES PAYABLE TO THE NEW REIT MANAGER AND THE NEW TRUSTEE-MANAGER FOR FY2021 AND FY2022 (ORDINARY RESOLUTION)

OR

THE TERMINATION PROPOSAL

- (5) IN THE EVENT THAT ANY OF RESOLUTION 1, RESOLUTION 2, RESOLUTION 3 AND RESOLUTION 4 IS NOT PASSED AND/OR CARRIED, THE PROPOSED (A) VOLUNTARY DELISTING OF EAGLE HOSPITALITY TRUST, (B) VOLUNTARY TERMINATION AND WINDING-UP OF EAGLE HOSPITALITY REAL ESTATE INVESTMENT TRUST, AND (C) VOLUNTARY WINDING-UP OF EAGLE HOSPITALITY BUSINESS TRUST (EXTRAORDINARY RESOLUTION)

Independent Financial Adviser



(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES FOR STAPLED SECURITYHOLDERS

Last date and time for lodgement of Proxy Forms	:	27 December 2020 at 2.00 p.m.
Last date and time to pre-register online to attend the Extraordinary General Meeting remotely	:	27 December 2020 at 2.00 p.m.
Date and time of Extraordinary General Meeting	:	30 December 2020 at 2.00 p.m.
Place of Extraordinary General Meeting	:	The Extraordinary General Meeting will be convened and held by way of electronic means.

Please refer to Paragraphs 6 and 7 of the Letter to Stapled Securityholders in this Circular for further details.

TABLE OF CONTENTS

CORPORATE INFORMATION	2
OVERVIEW	3
IMPORTANT NOTICE	9
INDICATIVE TIMETABLE	11
DEFINITIONS	12
LETTER TO STAPLED SECURITYHOLDERS	24
1. INTRODUCTION	25
2. THE PROPOSED CHANGE OF MANAGERS AND RELATED MATTERS (RESOLUTIONS 1 TO 4)	35
3. THE TERMINATION PROPOSAL (RESOLUTION 5)	64
4. CONSEQUENCES IF THE RESOLUTIONS RELATING TO (A) THE PROPOSED CHANGE OF MANAGERS AND RELATED MATTERS AND (B) THE TERMINATION PROPOSAL ARE NOT PASSED AND/OR CARRIED AT THE EGM	70
5. INTERESTS OF DIRECTORS AND SUBSTANTIAL STAPLED SECURITYHOLDERS	70
6. EXTRAORDINARY GENERAL MEETING	72
7. ACTION TO BE TAKEN BY STAPLED SECURITYHOLDERS	73
8. NO ABSTENTION FROM VOTING	75
9. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER IN RESPECT OF THE PROPOSED BASE FEE SUPPLEMENT (EH-REIT) AS AN INTERESTED PERSON TRANSACTION	75
10. RECOMMENDATIONS	76
11. RESPONSIBILITY STATEMENT	77
12. CONSENT	78
13. DOCUMENTS AVAILABLE FOR INSPECTION	78
APPENDIX A – IFA LETTER	A-1
APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS	B-1
APPENDIX C – LIST OF DIRECTORSHIPS OF THE PROPOSED DIRECTORS OF THE NEW MANAGERS	C-1
APPENDIX D – PROPOSED BASE FEE SUPPLEMENT (EH-REIT)	D-1
APPENDIX E – NOTICE OF CONDITIONAL RESIGNATION	E-1
APPENDIX F – VALUATION SUMMARY	F-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	G-1
PROXY FORM	

CORPORATE INFORMATION

BOARD OF DIRECTORS OF THE MANAGERS	:	Davy Lau (<i>Lead Independent Director and Independent Non-Executive Director</i>) Tarun Kataria (<i>Independent Non-Executive Director</i>) Tan Wee Peng Kelvin (<i>Independent Non-Executive Director</i>) Salvatore G. Takoushian (<i>Executive Director and Chief Executive Officer</i>)
REGISTERED OFFICE OF THE MANAGERS	:	8 Marina Boulevard #11-15/17 Marina Bay Financial Centre Tower 1 Singapore 018981
TRUSTEE OF EH-REIT (THE "EH-REIT TRUSTEE")	:	DBS Trustee Limited 12 Marina Boulevard Level 44 DBS Asia Central @ Marina Bay Financial Centre Tower 3 Singapore 018982
INDEPENDENT FINANCIAL ADVISER IN RELATION TO THE PROPOSED BASE FEE SUPPLEMENT (EH-REIT) (AN INTERESTED PERSON TRANSACTION IN RESPECT OF THE NEW REIT MANAGER)	:	Provenance Capital Pte. Ltd. 96 Robinson Road #13-01 SIF Building Singapore 068899
INDEPENDENT VALUER	:	Colliers International Consultancy & Valuation (Singapore) Pte Ltd 12 Marina View #19-02 Asia Square Tower 2 Singapore 018961
AUDITORS OF EHT	:	KPMG LLP 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581
STAPLED SECURITY REGISTRAR AND STAPLED SECURITY TRANSFER OFFICE	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

OVERVIEW

Meanings of defined terms may be found in the Definitions section on pages 12 to 23 of this Circular. Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

ABOUT EAGLE HOSPITALITY TRUST

EHT is a hospitality stapled group comprising EH-REIT and EH-BT. EHT was listed on the Main Board of the SGX-ST on 24 May 2019.

EH-REIT is a Singapore-based REIT established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income producing real estate which is used primarily for hospitality and/or hospitality-related purposes, as well as real estate-related assets in connection with the foregoing, with an initial focus on the United States.

EH-BT is a Singapore-based business trust registered under the Business Trusts Act which is currently dormant. Subject to Resolution 1, Resolution 2, Resolution 3 and Resolution 4 being passed and carried, and after the appointment of the New Managers being effected, it is proposed that EH-BT will be activated (through the wholly-owned OpCos) to be the master lessees of the Properties. Please refer to Paragraphs 2.2.7 and 2.4.7 of the Letter to Stapled Securityholders for further details on the activation of EH-BT and the MLA Internalisation.

BACKGROUND

EHT has been operating in a challenging environment for the last 10 months since the Managers' receipt of the BoA Notice of Default and Acceleration in March 2020. The difficulties faced by EHT include, amongst others, (a) the various delinquencies on the part of the Master Lessees, including the non-fulfilment of rental obligations under the Master Lease Agreements entered into with EH-REIT (through the subsidiaries of EH-REIT), (b) the numerous defaults and/or termination of the relevant Hotel Management Agreements and numerous defaults of the Franchise Agreements in respect of the Properties, as a result of, amongst others, the Master Lessees' failure to fulfil their obligations under the respective agreements, and (c) COVID-19 heavily impacting the United States hospitality industry and leading to weak market conditions. Due to these factors, 15 Properties were closed and the lack of rental/operating income has depleted EHT's financial resources.

During this period, the Special Committee was established and the Strategic Review was undertaken by the Special Committee, together with EHT's professional advisers, with the overriding objective that such Strategic Review is to be carried out in the best interests of EHT and its Stapled Securityholders. In the meantime, engagement and discussion with other counterparties (including but not limited to the Master Lessees, lenders of EHT, hotel managers, franchisors and third party stakeholders) continued with the intent of minimising any adverse impact to EHT and the Hotels' operations.

Through the Strategic Review, the Master Lease Agreements of all 18 Properties were terminated as a result of (amongst other reasons) lenders' requirements in order for the Managers to obtain continuing forbearance from the relevant lenders and the continuing events of default by the Master Lessees under the Master Lease Agreements, which necessitated the need to secure control over the Properties and establish privity of contract with hotel managers, franchisors and service providers.

The Special Committee and the EH-REIT Trustee had initially mandated Moelis to review all available options to EHT (including, but not limited to, the replacement of the Managers), with the overriding objective that such Strategic Review is to be carried out in the best interests of EHT and its Stapled Securityholders. Whilst the Special Committee and the EH-REIT Trustee had mandated and desired to proceed with a Request for Proposal process to evaluate and consider proposals developed from the non-binding, preliminary and indicative expressions of interest received from various parties, the Request for Proposal process was not able to proceed at that juncture as the owners of the Sponsor (who in turn own 100% of the Managers) took the position that they had legally committed to enter into exclusive discussions with a potential third party investor and any change in control of the Managers would require their consent (as the shareholder of the Managers). The Managers and the EH-REIT

OVERVIEW

Trustee were subsequently informed by such potential third party investor that it would not be proceeding with the contemplated transaction in relation to the proposed acquisition of a controlling stake in the Managers.

The EH-REIT Trustee subsequently commenced the RFP Process to explore all available options to EHT and received several non-binding, preliminary and indicative expressions of interests from various parties. As a result of the RFP Process, the EH-REIT Trustee, upon the recommendations of its professional advisers, identified SCCPRE (part of the SC Group) to have put forth the most credible proposal.

Please refer to Paragraph 1.1 of the Letter to Stapled Securityholders for further details on the background and Strategic Review.

The MAS had also issued to the EH-REIT Manager and the EH-REIT Trustee the Notice of Intention (EH-REIT Manager) and Notice of Intention (EH-REIT Trustee) on 26 October 2020, respectively, in relation to the MAS' intention to direct the EH-REIT Trustee to remove the EH-REIT Manager as the manager of EH-REIT and to appoint a new manager of EH-REIT. Subsequently, the MAS issued the EH-REIT Manager Removal Direction on 30 November 2020 to the EH-REIT Trustee directing the EH-REIT Trustee to remove the EH-REIT Manager within one (1) month from 30 November 2020 (or any longer period as the MAS may approve in writing) and appoint a new manager for EH-REIT as soon as possible thereafter pursuant to Section 286(14) of the SFA. Accordingly, the EH-REIT Trustee intends to remove the EH-REIT Manager with effect from the conclusion of the EGM on 30 December 2020.

In connection with the EH-REIT Manager Removal Direction, Eagle Hospitality Business Trust Management Pte. Ltd., the incumbent EH-BT Trustee-Manager, has given EH-BT Unitholders notice of the EH-BT Trustee-Manager's Conditional Resignation, being its proposed resignation as the trustee-manager of EH-BT pursuant to the Notice of Conditional Resignation, as set out in Appendix E to this Circular. Please refer to Paragraph 2.4.1 of the Letter to Stapled Securityholders for further details on the EH-BT Trustee-Manager's Conditional Resignation and Appendix E to this Circular for the Notice of Conditional Resignation.

EH-REIT and its subsidiaries are exploring entering into the Proposed Bridge Facility of up to US\$125.0 million with a consortium of lender banks led by Bank of America, N.A. The provisions of the agreed term sheet with Bank of America, N.A. in respect of the Proposed Bridge Facility are summarised under Paragraph 1.4 of the Letter to Stapled Securityholders. The Proposed Bridge Facility will be conditional on the appointment of the New Managers and remains subject to the relevant parties executing definitive documentation.

Subject to Resolution 1, Resolution 2, Resolution 3 and Resolution 4 being passed and carried, it is proposed that SCCPRE HRM will be appointed as the new manager of EH-REIT, and SCCPRE HTM as the new trustee-manager of EH-BT, so that they may put in place the necessary plans contemplated pursuant to the Proposed Change of Managers and Related Matters, with the intent to see EHT through the comprehensive restructuring and protect and preserve value for the Stapled Securityholders through a rehabilitation of EHT.

Resolution 1: Proposed Appointment of SCCPRE HRM as the New REIT Manager of EH-REIT

In view of the EH-REIT Manager Removal Direction, the EH-REIT Trustee proposes that SCCPRE Hospitality REIT Management Pte. Ltd. ("**SCCPRE HRM**") be appointed as the new manager of EH-REIT (the "**New REIT Manager**"). Summary background information on the SC Group and SCCPRE (which wholly-owns SCCPRE HRM) is set out in Paragraph 2.1 of the Letter to Stapled Securityholders and further details on Resolution 1 is set out in Paragraph 2.2 of the Letter to Stapled Securityholders.

Stapled Securityholders should note that Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are inter-conditional.

Therefore, in the event Resolution 1 is passed but any of Resolution 2, Resolution 3 and/or Resolution 4 is not passed, the Proposed Appointment of the New REIT Manager of EH-REIT will not be proceeded with.

OVERVIEW

Resolution 5 will then be put forth for voting.

Resolution 2: Proposed Base Fee Supplement to the EH-REIT Trust Deed to Reflect the Proposed Base Fee Structure of the New REIT Manager as an Interested Person Transaction

The Current Base Fee payable to the manager of EH-REIT under the EH-REIT Trust Deed is computed as 10.0% per annum of the Annual Distributable Income (as defined in the EH-REIT Trust Deed and calculated before accounting for the REIT Base Fee and the Performance Fee (as defined in the EH-REIT Trust Deed)).

In connection with the appointment of SCCPRE HRM as the new manager of EH-REIT, it is further proposed that the EH-REIT Trust Deed be amended, modified and supplemented by way of a Second Supplemental Deed to amend the REIT Base Fee structure such that, with effect from the Effective Date and up to (and including) 31 December 2023, the REIT Base Fee payable to the New REIT Manager will be the higher of:

- (a) the Minimum Fee; and
- (b) 10.0% per annum (or such lower percentage as may be determined by the New REIT Manager in its absolute discretion) of the Annual Distributable Income.

The “**Minimum Fee**” means the minimum REIT Base Fee which the New REIT Manager shall be entitled to receive from the Effective Date, in respect of FY2021, FY2022 and FY2023, being the sum of US\$4.5 million per annum (and for FY2021, such sum shall be pro-rated by dividing US\$4.5 million by the number of days between (and including) the Effective Date and 31 December 2021), which sum shall be reduced by an amount equal to any BT Base Fee payable to the New Trustee-Manager in respect of the relevant period. The formula of the Minimum Fee ensures that there is no double-counting across EH-REIT and EH-BT. Accordingly, the aggregate minimum base fees payable to the New Managers will not exceed a sum of US\$4.5 million per annum.

For the avoidance of doubt, from 1 January 2024, the REIT Base Fee will revert to the formula of the Current Base Fee, being 10.0% per annum (or such lower percentage as may be determined by the New REIT Manager in its absolute discretion) of the Annual Distributable Income.

Further details on Resolution 2 (including the rationale for the implementation of the Minimum Fee) is set out in Paragraph 2.3 of the Letter to Stapled Securityholders.

The EH-REIT Trustee has appointed Provenance Capital Pte. Ltd. as the Independent Financial Adviser (“**IFA**”) to advise the EH-REIT Trustee and the Stapled Securityholders in relation to the Proposed Base Fee Supplement (EH-REIT) as the New REIT Manager will be an “interested person” of EH-REIT under the Listing Manual and an “interested party” under the Property Funds Appendix, and accordingly, the Proposed Base Fee Supplement (EH-REIT) will be an “interested person transaction” under the Listing Manual and an “interested party transaction” under the Property Funds Appendix. Having considered the principal terms of the Proposed Base Fee Supplement (EH-REIT), and subject to the assumptions and qualifications set out in the IFA Letter, the IFA is of the view that the Proposed Base Fee Supplement (EH-REIT) (which includes the Suspension Issue Price Clarification) is on normal commercial terms and is not prejudicial to the interests of EHT and its minority Stapled Securityholders.

Stapled Securityholders should note that Resolution 2 is subject to and contingent upon the passing of Resolution 1 and that Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are inter-conditional.

Therefore, in the event that Resolution 1 and Resolution 2 are passed but any of Resolution 3 and/or Resolution 4 is not passed, the Proposed Appointment of the New REIT Manager of EH-REIT and the Proposed Base Fee Supplement (EH-REIT) to the EH-REIT Trust Deed will not be proceeded with.

Resolution 5 will then be put forth for voting.

OVERVIEW

Resolution 3: Proposed Appointment of SCCPRE HTM as the New Trustee-Manager of EH-BT and Waiver of the BTR Notice Period Requirement

In view of the EH-BT Trustee-Manager's Conditional Resignation, subject to the approval of the Stapled Securityholders at the EGM, the 14-days' notice period required under Regulation 14(3)(b) of the BTR in respect of the tabling of the resolution in relation to the Proposed Appointment of the New Trustee-Manager of EH-BT at the EGM will be waived, and SCCPRE Hospitality Business Trust Management Pte. Ltd. ("**SCCPRE HTM**"), which has been nominated by the EH-BT Trustee-Manager to serve as the replacement trustee-manager of EH-BT, will be appointed as the new trustee-manager of EH-BT. In addition, upon the passing of Resolution 1, Resolution 2, Resolution 3 and Resolution 4, the incumbent EH-BT Trustee-Manager's resignation will be effective.

Further details on Resolution 3 is set out in Paragraph 2.4 of the Letter to Stapled Securityholders.

Stapled Securityholders should note that Resolution 3 is subject to and contingent upon the passing of Resolution 1 and Resolution 2 and that Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are inter-conditional.

Therefore, in the event that Resolution 1, Resolution 2 and Resolution 3 are passed but Resolution 4 is not passed, the Proposed Appointment of the New REIT Manager of EH-REIT, the Proposed Base Fee Supplement (EH-REIT) to the EH-REIT Trust Deed and the Proposed Appointment of the New Trustee-Manager of EH-BT and Waiver of the BTR Notice Period Requirement will not be proceeded with.

Resolution 5 will then be put forth for voting.

Resolution 4: Proposed Authority for the Issuance of up to 140,000,000 new Stapled Securities at the Issue Price per Stapled Security for Payment of the Base Fees payable to the New REIT Manager and the New Trustee-Manager for FY2021 and FY2022

The New Managers will agree to be paid the Base Fees payable to them for FY2021 and FY2022 under the terms of the EH-REIT Trust Deed and the EH-BT Trust Deed respectively, in the form of Stapled Securities.

Accordingly, it is proposed that authority be given to the New Managers to issue up to 140,000,000 new Stapled Securities at the Issue Price per Stapled Security for payment of the Base Fees payable to the New REIT Manager and the New Trustee-Manager for FY2021 and FY2022. The issuance of up to 140,000,000 new Stapled Securities represents up to 16.0% of the existing number of issued Stapled Securities as at the Latest Practicable Date.

Further details on Resolution 4 is set out in Paragraph 2.5 of the Letter to Stapled Securityholders.

Stapled Securityholders should note that Resolution 4 is subject to and contingent upon the passing of Resolution 1, Resolution 2 and Resolution 3 and that Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are inter-conditional.

Therefore, in the event that Resolution 1, Resolution 2 and Resolution 3 are passed but Resolution 4 is not passed, the Proposed Appointment of the New REIT Manager of EH-REIT, the Proposed Base Fee Supplement (EH-REIT) to the EH-REIT Trust Deed, the Proposed Appointment of the New Trustee-Manager of EH-BT and Waiver of the BTR Notice Period Requirement and the Proposed Authority for the Issuance of Stapled Securities for Payment of the New Managers' Base Fees will not be proceeded with.

Resolution 5 will then be put forth for voting.

Resolution 5: Proposed (A) Voluntary Delisting of EHT, (B) Voluntary Termination and Winding-up of EH-REIT, and (C) Voluntary Winding-up of EH-BT

In the event that any of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 is not passed and/or carried at the EGM, the appointment of the New REIT Manager and the New Trustee-Manager will not

OVERVIEW

proceed and there will not be a manager to manage EH-REIT and implement any restructuring or recapitalisation of EH-REIT given that the EH-REIT Trustee would have to remove the incumbent EH-REIT Manager within one (1) month from 30 November 2020 (or any longer period as the MAS may approve in writing) pursuant to the EH-REIT Manager Removal Direction.

Circumstances have been difficult for EHT as a result of, amongst others, the numerous defaults of the Master Lessees under the Master Lease Agreements, the termination of the Master Lease Agreements by the Master Lessors such that there is no longer a “master lessee” construct in place for EH-REIT and the ongoing COVID-19 pandemic that has affected the hospitality industry in the United States. Additionally, the Proposed Bridge Facility (which comprises a bridge loan of up to US\$125.0 million to be given by a consortium of lender banks led by Bank of America, N.A. for the purposes of funding the property-level budget prepared by the New Managers, which includes property expenses, hotel reopening costs, and general working capital related to the 15 Borrowing Base Properties) will be conditional on the appointment of the New Managers. Without additional new capital, there is no reasonable prospect for EHT to continue to operate the Properties on a going concern basis.

Accordingly, absent the approval by Stapled Securityholders of any of Resolution 1, Resolution 2, Resolution 3 and/or Resolution 4, it is proposed that Stapled Securityholders be provided with the alternative option of realising any remaining value of their Stapled Securities through the voluntary delisting of EHT, the voluntary termination and winding-up of EH-REIT and the voluntary winding-up of EH-BT.

Please refer to Paragraph 3 of the Letter to Stapled Securityholders for further details on the procedure for the voluntary delisting of EHT, the voluntary termination and winding-up of EH-REIT and the voluntary winding-up of EH-BT, as well as the pro forma financial effects of the Termination Proposal on the NAV of the Stapled Securities.

SUMMARY OF THE APPROVALS SOUGHT

THE PROPOSED CHANGE OF MANAGERS AND RELATED MATTERS

- (1) The Proposed Appointment of SCCPRE HRM as the New REIT Manager of EH-REIT;**
- (2) The Proposed Base Fee Supplement to the EH-REIT Trust Deed to Reflect the Proposed Base Fee Structure of the New REIT Manager as an Interested Person Transaction;**
- (3) The Proposed Appointment of SCCPRE HTM as the New Trustee-Manager of EH-BT and Waiver of the BTR Notice Period Requirement; and**
- (4) The Proposed Authority for the Issuance of up to 140,000,000 New Stapled Securities at the Issue Price per Stapled Security for Payment of the Base Fees Payable to the New REIT Manager and the New Trustee-Manager for FY2021 and FY2022.**

OR

THE TERMINATION PROPOSAL

- (5) In the event that any of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 is not passed and/or carried, the Proposed (A) Voluntary Delisting of EHT, (B) Voluntary Termination and Winding-up of EH-REIT, and (C) Voluntary Winding-up of EH-BT.**

STAPLED SECURITYHOLDERS SHOULD NOTE THAT:

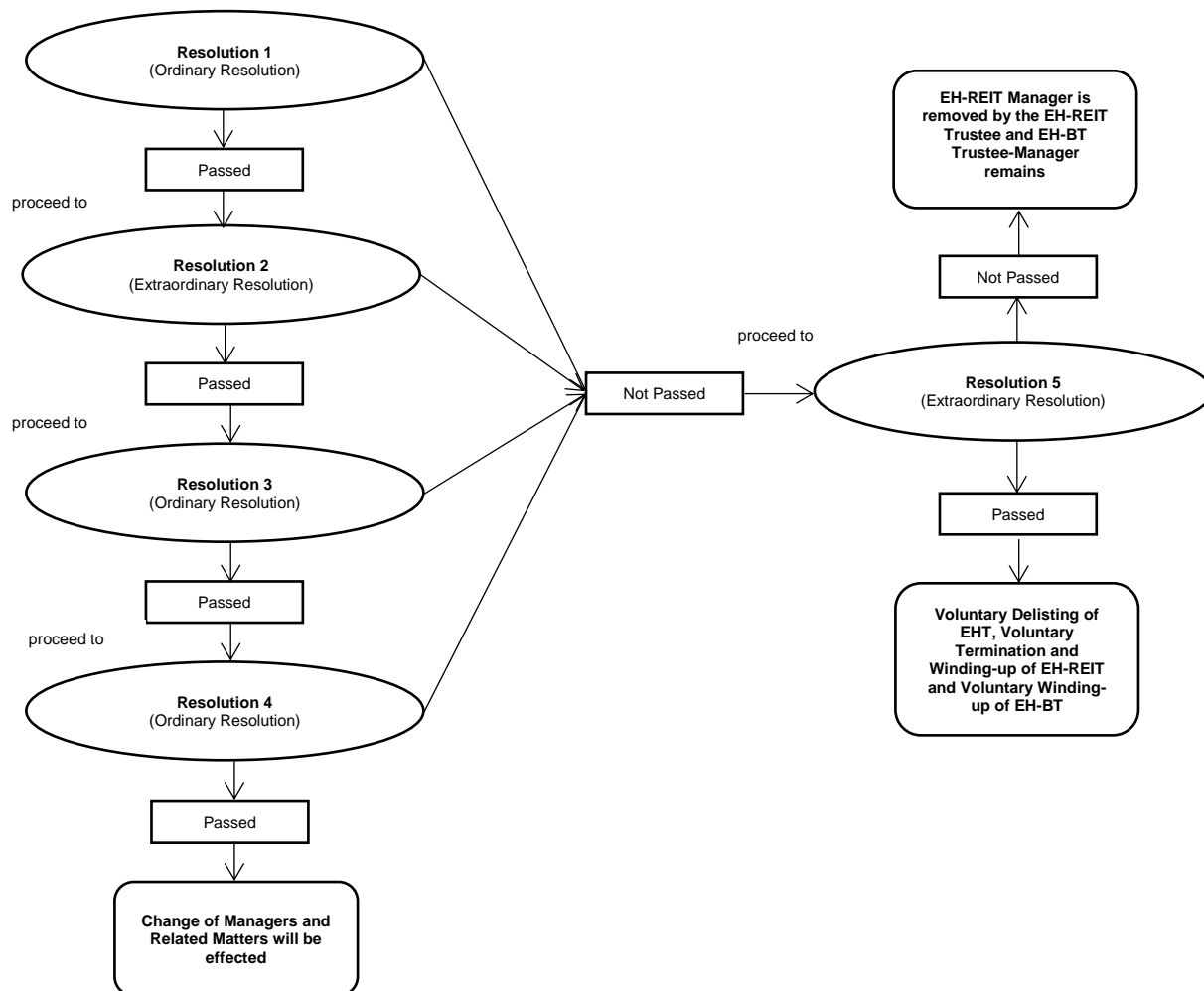
- 1. Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are inter-conditional on the passing of each other. This means that in the event that any of Resolution 1, Resolution 2, Resolution 3 or Resolution 4 is not passed:**
 - (a) none of the remaining Resolution 1, Resolution 2, Resolution 3 or, as the case may be, Resolution 4 will be put to the vote of Stapled Securityholders; and**

OVERVIEW

(b) none of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 will be carried and none of these resolutions will be proceeded with.

2. In the event that any of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 is not passed and/or carried, Resolution 5 will be put forth for voting. For the avoidance of doubt, if all of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are passed, Resolution 5 will not be put to the vote of Stapled Securityholders.

The flowchart below sets out the sequence of the Resolutions to be tabled at the EGM.



IMPORTANT NOTICE

In this Circular, references to EH-REIT and EH-BT would include, where appropriate, entities owned or (as the case may be) controlled by EH-REIT or EH-BT.

The value of 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 manager of EH-REIT (including, if all of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are passed, the New REIT Manager), the trustee-manager of EH-BT (including, if all of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are passed, the New Trustee-Manager), the EH-REIT Trustee or any of their affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the manager of EH-REIT (including, if all of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are passed, the New REIT Manager) or the trustee-manager of EH-BT (including, if all of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are passed, the New Trustee-Manager) or any of their affiliates to redeem 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.

In particular, portions of this Circular which relate to the Proposed Change of Managers and Related Matters are being issued further to the RFP Process which commenced on 23 July 2020 under the instruction of the EH-REIT Trustee in the interests of Stapled Securityholders. As the RFP Process requires evaluation of proposals received from a legal, financial and REIT management perspective, the EH-REIT Trustee had to undertake the process with the benefit of professional advisers including Moelis as professional financial adviser to the EH-REIT Trustee. Consequently, the portions of this Circular and its contents that relate solely to the Proposed Change of Managers and Related Matters are a culmination of the RFP Process undertaken by the EH-REIT Trustee, taking full consideration of the recommendations made by its professional advisers.

The past performance of EHT is not necessarily indicative of the future performance of EHT.

This Circular 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. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. The forecast financial performance of EHT is not guaranteed. In view of the resolutions for the replacement of the Managers as put forth in this Circular, the Managers do not assume responsibility for any forward-looking statements in this Circular. The EH-REIT Trustee does not assume responsibility for any forward-looking statements in this Circular.

This Circular contains information derived from various third party sources. While the Managers and the EH-REIT Trustee have taken reasonable actions to ensure that such information is reproduced in their proper form and context, and that the information is extracted accurately and fairly from the relevant sources, neither the Managers, the EH-REIT Trustee nor any other party has conducted an independent review of the information contained in the relevant sources or verified the accuracy of the contents of the relevant information. The Managers, the EH-REIT Trustee, SCCPRE and their respective professional advisers participated in a verification meeting in respect of this Circular whereby the relevant parties (including SCCPRE) confirmed their respective information provided in this Circular and clarificatory enquiries were raised where appropriate. For the avoidance of doubt, while the EH-REIT Trustee has made enquiries on the general background and experience of SCCPRE during the RFP Process, the EH-REIT Trustee has not and is unable to verify all the information relating to the background and information of SCCPRE and the New Managers (including their respective corporate governance matters and internal control processes) in this Circular and does not make any representation as to the accuracy or completeness of such information. In addition, as the RFP Process was run by the EH-REIT Trustee, the Managers were not involved in the RFP Process and have not and are unable to verify all the information relating to the background and information of SCCPRE and

IMPORTANT NOTICE

the New Managers (including their respective corporate governance matters and internal control processes) in this Circular and do not make any representation as to the accuracy or completeness of such information.

If you have sold or transferred all your Stapled Securities, you should immediately inform the purchaser or the transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular (together with the Notice of EGM and the accompanying Proxy Form) may be accessed on SGXNET and EHT's website at <https://eagleht.com>.

This Circular is not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States. The Stapled Securities have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the United States or other jurisdiction, and the Stapled Securities may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Any public offering of securities of EHT in the United States would be made by means of a prospectus that would contain detailed information about EHT, the Managers as well as financial statements. There is no intention to conduct a public offering of securities in the United States.

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Managers' absolute discretion as well as in accordance with the applicable regulatory requirements. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

Event	:	Date and Time
Last date and time for lodgement of Proxy Forms	:	27 December 2020 at 2.00 p.m.
Last date and time to pre-register online to attend the EGM remotely	:	27 December 2020 at 2.00 p.m.
Date and time of EGM	:	30 December 2020 at 2.00 p.m.
Place of EGM	:	The EGM will be convened and held by way of electronic means. Please refer to Paragraphs 6 and 7 of the Letter to Stapled Securityholders in this Circular for further details.
If all of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 relating to the Proposed Change of Managers and Related Matters are passed at the EGM:		
Removal of the EH-REIT Manager as manager of EH-REIT by the EH-REIT Trustee	:	30 December 2020 (with effect from the conclusion of the EGM)
Resignation of the EH-BT Trustee-Manager as trustee-manager of EH-BT	:	30 December 2020
Appointment of the New Managers as manager of EH-REIT and trustee-manager of EH-BT	:	30 December 2020

DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or is otherwise stated:

- “3Q2020”** : The third quarter ended 30 September 2020
- “Acquisition Fee”** : The acquisition fee payable to the New REIT Manager under the EH-REIT Trust Deed and/or the acquisition fee payable to the New Trustee-Manager under the EH-BT Trust Deed (as the case may be)
- "Adjustments"** : Has the meaning ascribed to it in the EH-REIT Trust Deed, being the adjustments which are charged or credited to the consolidated profit and loss account of EH-REIT (which includes the net profits of the special purpose vehicles held by EH-REIT for the FY, to be pro-rated where applicable to the portion of EH-REIT's interest in the relevant special purpose vehicle) for the relevant FY or the relevant distribution period (as the case may be), including but not limited to: (a) differences between cash and accounting gross revenue; (b) unrealised income or loss, including property revaluation gains or losses, and provision or reversals of impairment provisions; (c) deferred tax charges / credits; (d) negative goodwill; (e) differences between cash and accounting finance and other costs; (f) realised gains or losses, including gains or losses on the disposal of properties and disposal/settlement of financial instruments/assets/liabilities; (g) the portion of the manager of EH-REIT's Management Fee, Acquisition Fee, Divestment Fee and development management fee that are paid or payable in the form of EH-REIT Units (or, as the case may be, the Stapled Securities); (h) costs of any public or other offering of EH-REIT Units (or, as the case may be, the Stapled Securities) or convertible instruments that are expensed but are funded by proceeds from the issuance of such EH-REIT Units (or, as the case may be, the Stapled Securities) or convertible instruments; (i) depreciation and amortisation in respect of the properties and their ancillary machines, equipment and other fixed assets; (j) adjustment for amortisation of rental incentives; (k) the reserve established for the purpose of funding the acquisition and replacement of FF&E; (l) other non-cash or timing differences related to income or expenses; (m) differences between the audited and unaudited financial statements for the previous FY; (n) other charges or credits (in each case from (a) to (i) as deemed appropriate by the manager of EH-REIT); and (o) any other such adjustments as deemed appropriate by the manager of EH-REIT (in consultation with the auditors and/or tax agents)
- "Annual Distributable Income"** : Has the meaning ascribed to it in the EH-REIT Trust Deed, being the amount calculated by the manager of EH-REIT (based on the audited financial statements of EH-REIT for that FY) as representing the consolidated net profit after tax of EH-REIT (which includes the audited net profits of the special purpose vehicles held by EH-REIT for the FY, to be pro-rated where applicable to the portion of EH-REIT's interest in the relevant special purpose vehicle) for the FY, as adjusted to eliminate the effects of Adjustments. After eliminating the effects of these Adjustments, the Annual Distributable Income may be different from the net profit recorded for the relevant FY

DEFINITIONS

"Audit and Risk Committees"	:	The Audit and Risk Committees of the New Boards of the New Managers
"Base Fees"	:	The REIT Base Fee payable to the New REIT Manager under the EH-REIT Trust Deed and the BT Base Fee payable to the New Trustee-Manager under the EH-BT Trust Deed
"BoA Facilities Agreement"	:	The syndicated credit agreement dated 16 May 2019 entered into by, <i>inter alia</i> , the EH-REIT Trustee and certain of EH-REIT's subsidiaries, with the BoA Facilities Agreement Lenders, in respect of a principal amount of US\$341.0 million
"BoA Facilities Agreement Administrative Agent"	:	Bank of America, N.A., the administrative agent in respect of the BoA Facilities Agreement
"BoA Facilities Agreement Lenders"	:	The syndicate of lenders in respect of the BoA Facilities Agreement
"BoA Notice of Default and Acceleration"	:	The notice of default and acceleration received by the Managers on 20 March 2020 in relation to the BoA Facilities Agreement
"Board"	:	The board of Directors of the EH-REIT Manager or the EH-BT Trustee-Manager, as the case may be, as at the Latest Practicable Date
"Borrowing Base Properties"	:	The Properties in EHT's portfolio, excluding the three (3) Properties encumbered by the Mortgage Loans
"BotW Swap Agreement"	:	The interest rate swap agreement dated 22 May 2019 with Bank of the West (which has been terminated) in respect of the US\$341.0 million loan under the BoA Facilities Agreement
"BT Base Fee"	:	The Base Fee payable to the New Trustee-Manager pursuant to Clause 14.1.1 of the EH-BT Trust Deed
"BTA"	:	The Business Trusts Act, Chapter 31A of Singapore, as amended, modified or supplemented from time to time
"BTR"	:	The Business Trusts Regulations made under the BTA, as amended, modified or supplemented from time to time
"Business Day"	:	A day (other than a Saturday, a Sunday or a gazetted public holiday) on which banks in Singapore are generally open for the transaction of normal banking business
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Stapled Securityholders dated 8 December 2020
"CIS Code"	:	The Code on Collective Investment Schemes issued by the MAS
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
"COVID-19 Act"	:	The COVID-19 (Temporary Measures) Act 2020, as amended, modified or supplemented from time to time, which, <i>inter alia</i> , enables the Minister for Law by order to prescribe alternative arrangements for registered business trusts and listed unit trusts in Singapore to conduct general meetings, either wholly or partly,

DEFINITIONS

- by electronic communication, video conferencing, teleconferencing or other electronic means
- "COVID-19 Order"** : The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, as amended, modified or supplemented from time to time, which sets out the alternative arrangements in respect of, *inter alia*, general meetings of REITs and business trusts
- "CPDG Mortgage Loan"** : The mortgage loan dated 17 December 2017 in respect of the Crowne Plaza Dallas Near Galleria-Addison Property issued by Deutsche Bank, AG, New York Branch, and held by Wilmington Trust, National Association, as Trustee, for the benefit of the Holders of Benchmark 2018-B4 Mortgage Trust Commercial Mortgage Pass-Through Certificates, Series 2018-B4, with a principal amount of approximately US\$27.2 million as at the Listing Date and an outstanding principal amount of US\$12.0 million as at the Latest Practicable Date
- "Current Base Fee"** : The current Base Fee (as defined in the EH-REIT Trust Deed) payable to the manager of EH-REIT of 10.0% per annum of the Annual Distributable Income (as defined in the EH-REIT Trust Deed and calculated before accounting for the REIT Base Fee and the Performance Fee)
- "DIP"** : Debtor-In-Possession
- "Directors"** : The directors of the Managers as at the Latest Practicable Date
- "Divestment Discount"** : The various rates of discounts to EHT's reported valuations as at 31 August 2020 for purposes of calculating the pro forma financial effects of the Termination Proposal as set out in Paragraph 3.9 of the Letter to Stapled Securityholders
- "Divestment Fee"** : The divestment fee payable to the New REIT Manager under the EH-REIT Trust Deed and/or the divestment fee payable to the New Trustee-Manager under the EH-BT Trust Deed (as the case may be)
- "Divestment Transaction"** : The proposed sale of the Properties in order to effect the Termination Proposal
- "DW Mortgage Loan"** : The mortgage loan dated 21 May 2019 in respect of the Delta Woodbridge Property, issued by Wells Fargo Bank, National Association, with a principal amount of US\$35.0 million as at the Listing Date and an outstanding principal amount of US\$34.7 million as at the Latest Practicable Date
- "Effective Date"** : The later of (a) the date of appointment of the New REIT Manager as the manager of EH-REIT, and (b) 1 January 2021
- "EGM"** : The extraordinary general meeting of EHT to be convened and held by way of electronic means on 30 December 2020 at 2.00 p.m. (and any adjournment thereof), notice of which is set out in the Notice of EGM
- "EH-BT"** : The business trust known as "Eagle Hospitality Business Trust", which name, after the appointment of SCCPRE HTM as the

DEFINITIONS

	trustee-manager of EH-BT, will be changed to “SCCP Hospitality Business Trust”
"EH-BT Trust Deed"	: The trust deed dated 11 April 2019 constituting EH-BT (as amended, modified or supplemented from time to time)
"EH-BT Trustee-Manager"	: Eagle Hospitality Business Trust Management Pte. Ltd., as trustee-manager of EH-BT
"EH-BT Trustee-Manager's Conditional Resignation"	: The proposed conditional resignation of the EH-BT Trustee-Manager as trustee-manager of EH-BT pursuant to the Notice of Conditional Resignation
"EH-BT Unitholders"	: The unitholders of EH-BT Units
"EH-BT Units"	: The units in EH-BT
"EH-REIT"	: The real estate investment trust known as “Eagle Hospitality Real Estate Investment Trust”, which name, after the appointment of SCCPRE HRM to be the manager of EH-REIT, will be changed to “SCCP Hospitality Real Estate Investment Trust”
"EH-REIT Group"	: EH-REIT and its subsidiaries
"EH-REIT Manager"	: Eagle Hospitality REIT Management Pte. Ltd., as manager of EH-REIT
"EH-REIT Manager Removal Direction"	: The direction issued by the MAS on 30 November 2020 to the EH-REIT Trustee directing the EH-REIT Trustee to remove the EH-REIT Manager within one (1) month from 30 November 2020 (or any longer period as the MAS may approve in writing)
"EH-REIT Trust Deed"	: The trust deed dated 11 April 2019 entered into between the EH-REIT Manager and the EH-REIT Trustee, constituting EH-REIT (as amended, modified or supplemented from time to time)
"EH-REIT Trustee"	: DBS Trustee Limited, in its capacity as trustee of EH-REIT
"EH-REIT Unitholders"	: The unitholders of EH-REIT Units
"EH-REIT Units"	: The units in EH-REIT
"EHT"	: The stapled group comprising EH-REIT and EH-BT, which is currently named as Eagle Hospitality Trust, and which, after entry into the new Stapling Deed by the New REIT Manager, New Trustee-Manager and EH-REIT Trustee as described in Paragraph 2.2.8 of the Letter to Stapled Securityholders, will be named as SCCP Hospitality Trust
"EHT Debt Facilities"	: The following loan and financing agreements entered into by EHT and/or its subsidiaries: <ul style="list-style-type: none">(a) BoA Facilities Agreement;(b) the DW Mortgage Loan in respect of the Delta Woodbridge Property with a principal amount of US\$35.0 million as at the Listing Date and an outstanding principal amount of US\$34.7 million as at the Latest Practicable Date;

DEFINITIONS

- (c) the HHG Mortgage Loan in respect of the Hilton Houston Galleria Area Property with an outstanding amount of US\$15.3 million as at the Listing Date and an outstanding principal amount of US\$14.9 million as at the Latest Practicable Date;
 - (d) the CPDG Mortgage Loan in respect of the Crowne Plaza Dallas Near Galleria-Addison Property with an outstanding amount of US\$27.2 million as at the Listing Date and an outstanding principal amount of US\$12.0 million as at the Latest Practicable Date;
 - (e) the BotW Swap Agreement in respect of the US\$341.0 million loan under the BoA Facilities Agreement; and
 - (f) the Lendco Unsecured Loan with an outstanding principal amount of US\$89 million as at the Listing Date and the Latest Practicable Date
- "Extraordinary Resolution"** : A resolution proposed and passed as such by a majority being at least 75.0% of the total number of votes cast for and against such resolution at a meeting of Stapled Securityholders convened in accordance with the provisions of the Trust Deeds
- "FF&E"** : Furniture, fixtures and equipment
- "First Supplemental Deed of Appointment to the EH-REIT Trust Deed"** : The First Supplemental Deed of Appointment of Manager to be entered into between the New REIT Manager and EH-REIT Trustee to supplement the EH-REIT Trust Deed for purposes of, among others, effecting the appointment of SCCPRE HRM as the manager of EH-REIT and the change of name of EH-REIT to SCCP Hospitality Real Estate Investment Trust
- "Franchise Agreements"** : As the context may require, the franchise agreements entered into and/or which are intended to be entered into between the applicable hotel franchisor and the Master Lessee(s) or, as the case may be, the OpCo(s) in relation to the operation of each of the Hotels under a brand
- "FY"** : Financial year ended 31 December
- "HHG Mortgage Loan"** : The mortgage loan dated 24 October 2017 in respect of the Hilton Houston Galleria Area Property issued by Wells Fargo Bank, National Association and held by Wilmington Trust, National Association, as Trustee, for the benefit of the registered holders of Wells Fargo Commercial Mortgage Trust 2017 C-41, Commercial Mortgage Pass-Through Certificates, Series 2017-C41, with a principal amount of approximately US\$15.3 million as at the Listing Date and an outstanding principal amount of US\$14.9 million as at the Latest Practicable Date
- "Hotel Management Agreements"** : The hotel management agreements entered into and/or which are intended to be entered into between the applicable hotel management company and the Master Lessee(s) or, as the case may be, the OpCo(s) in relation to the management of the day-to-day operations of each of the Hotels by a third party hotel management company
- "Hotels" or "Properties"** : The 18 full service hotel properties located in the United States comprising EHT's portfolio

DEFINITIONS

"IFA"	:	Provenance Capital Pte. Ltd., the independent financial adviser appointed in relation to the Proposed Base Fee Supplement (EH-REIT) as an Interested Person Transaction in respect of the New REIT Manager
"IFA Letter"	:	The letter from the IFA in relation to the Proposed Base Fee Supplement (EH-REIT) as an Interested Person Transaction in respect of the New REIT Manager
"Independent Valuer"	:	Colliers International Consultancy & Valuation (Singapore) Pte Ltd
"Interested Person Transaction"	:	An "interested person transaction" as defined under the Listing Manual and/or (as the case may be) an "interested party transaction" as defined under the Property Funds Appendix
"Issue Price"	:	<p>The issue price of the new Stapled Securities that is proposed to be issued as payment of the Base Fees payable to the New Managers for FY2021 and FY2022 (as contemplated under Resolution 4), which shall be calculated in accordance with the EH-REIT Trust Deed and EH-BT Trust Deed respectively, as summarised in Paragraph 2.5.2 of the Letter to Stapled Securityholders below, being:</p> <ul style="list-style-type: none">(a) when trading in the Stapled Securities remains suspended, the NAV per Stapled Security as at the last day of the relevant quarter or period in respect of which the REIT Base Fee is being paid; and(b) when trading in the Stapled Securities resumes:<ul style="list-style-type: none">(i) the VWAP per Stapled Security for all trades done on the SGX-ST in the ordinary course of trading on the SGX-ST for the last 10 business days immediately preceding the end of the relevant financial period in which the Base Fee accrues; or(ii) if the New Managers believe that the foregoing calculation does not provide a fair reflection of the market price of the Stapled Securities, the Issue Price will be an amount as determined after consultation by the New Managers with a Stockbroker (and such Stockbroker is subject to the approval of the EH-REIT Trustee), and as approved by the EH-REIT Trustee, as being the fair market price
"JHR"	:	Japan Hotel REIT Investment Corporation
"Latest Practicable Date"	:	6 December 2020, being the latest practicable date prior to the issuance of this Circular
"Lendco"	:	Lodging USA Lendco, LLC, a Delaware limited liability company and the lender of the Lendco Unsecured Loan
"Lendco Unsecured Loan"	:	The unsecured loan dated 16 May 2019 with a principal amount of US\$89 million issued by Lendco with an outstanding principal amount of US\$89.0 million as at the Listing Date and the Latest Practicable Date

DEFINITIONS

"Listing Date"	:	24 May 2019, being the listing date of EHT
"Listing Manual"	:	The listing manual of the SGX-ST, as the same may be amended, varied or supplemented from time to time
"Management Fee"	:	The management fee (comprising the Base Fee and the Performance Fee) payable to the manager of EH-REIT and/or, as the case may be, the trustee-manager of EH-BT under the EH-REIT Trust Deed and EH-BT Trust Deed respectively
"Managers"	:	Collectively, the EH-REIT Manager and the EH-BT Trustee-Manager
"MAS"	:	Monetary Authority of Singapore
"MAS Regulation 14(3)(b) BTR Ruling"	:	The ruling granted by the MAS in relation to the EH-BT Trustee-Manager's exemption from compliance with Regulation 14(3)(b) of the BTR, which only applies if a resolution to dispense with the 14-days' notice period required under Regulation 14(3)(b) of the BTR is approved by EH-BT Unitholders by way of an Ordinary Resolution
"Master Lease Agreements"	:	The master lease agreements entered into between the applicable Master Lessor and the Master Lessee in relation to the leasing of the relevant Hotel to the Master Lessee in connection with the IPO of EHT
"Master Lessees"	:	The applicable lessees of the Hotels under the Master Lease Agreements
"Master Lessors"	:	The applicable freehold or leasehold owners of the Hotels (being wholly-owned subsidiaries of EH-REIT)
"Minimum Fee"	:	The minimum REIT Base Fee which the New REIT Manager shall be entitled to receive from the Effective Date, in respect of FY2021, FY2022 and FY2023, being the sum of US\$4.5 million per annum (and for FY2021, such sum shall be pro-rated by dividing US\$4.5 million by the number of days between (and including) the Effective Date and the end of FY2021), which sum shall be reduced by an amount equal to any BT Base Fee payable to the New Trustee-Manager under the EH-BT Trust Deed in respect of the relevant period
"MLA Internalisation"	:	The proposed activation of EH-BT, the establishment of the OpCos under EH-BT and as contracting party to new master lease agreements to be entered into in respect of the Properties with EH-REIT (through the Master Lessors) which will be internal within the EHT stapled structure
"Moelis"	:	Collectively, Moelis & Company LLC and Moelis & Company Asia Limited, being the professional financial adviser to the Managers and the EH-REIT Trustee
"Mortgage Loans"	:	Collectively, the CPDG Mortgage Loan, the DW Mortgage Loan and the HHG Mortgage Loan
"NAV"	:	Net asset value
"New Boards"	:	The new boards of directors of the New Managers

DEFINITIONS

“New Managers”	:	Collectively, the New REIT Manager and the New Trustee-Manager
“New REIT Manager” or “SCCPRE HRM”	:	SCCPRE Hospitality REIT Management Pte. Ltd., the proposed new manager of EH-REIT as contemplated pursuant to Resolution 1
“New RM US Sub”	:	The wholly-owned subsidiary that the New REIT Manager intends to incorporate in the United States
“New Trustee-Manager” or “SCCPRE HTM”	:	SCCPRE Hospitality Business Trust Management Pte. Ltd., the proposed new trustee-manager of EH-BT as contemplated pursuant to Resolution 3
“New US Services Agreement”	:	The services agreement to be entered into between the New REIT Manager, the New RM US Sub and the relevant subsidiary(ies) of EH-REIT pursuant to which the New RM US Sub will provide, among others, United States specific investment and asset management oversight services to EH-REIT
“NHF”	:	Nippon Hotel Fund Investment Corporation
“Nominating and Remuneration Committees” or “NRC”	:	The Nominating and Remuneration Committees of the New Boards of the New Managers
“Notice of Conditional Resignation”	:	The EH-BT Trustee-Manager’s notice of conditional resignation dated 8 December 2020 in relation to its proposed resignation as the trustee-manager of EH-BT
“Notice of EGM”	:	The notice of EGM which is set out on pages G-1 to G-6 of this Circular
“Notice of Intention (EH-REIT Manager)”	:	The Notice of Intention dated 26 October 2020 issued by the MAS to the EH-REIT Manager in relation to the MAS’ intention to direct the EH-REIT Trustee to remove the EH-REIT Manager as the manager of EH-REIT and to appoint a new manager of EH-REIT, in exercise of the MAS’ powers under Section 286(14) of the SFA
“Notice of Intention (EH-REIT Trustee)”	:	The Notice of Intention dated 26 October 2020 issued by the MAS to the EH-REIT Trustee in relation to the MAS’ intention to direct the EH-REIT Trustee to remove the EH-REIT Manager as the manager of EH-REIT and to appoint a new manager of EH-REIT, in exercise of the MAS’ powers under Section 286(14) of the SFA
“NTA”	:	Net tangible assets of EHT attributable to Stapled Securityholders
“OpCos”	:	The new wholly-owned subsidiaries of EH-BT to be established in connection with the activation of EH-BT to serve as the master lessees of the Properties
“Ordinary Resolution”	:	A resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Stapled Securityholders convened in accordance with the provisions of the Trust Deeds
“Paycheck Protection Program Application”	:	The unauthorised loan application dated 18 May 2020 submitted on behalf of the Master Lessor of the Queen Mary Long Beach

DEFINITIONS

	Property under the United States Paycheck Protection Program administered by the United States Small Business Administration
“Paycheck Protection Program Loan”	: The loan of an amount in excess of US\$2.0 million that was granted from a lender pursuant to the Paycheck Protection Program Application with the Master Lessor of the Queen Mary Long Beach Property as a debtor thereunder
“Performance Fee”	: The performance fee payable to the New REIT Manager under the EH-REIT Trust Deed and/or the performance fee payable to the New Trustee-Manager under the EH-BT Trust Deed (as the case may be)
“Pro Forma Realised NAV per Stapled Security”	: The pro forma NAV per Stapled Security as at 30 June 2021 after factoring the pro forma financial effects of the Divestment Transaction as part of the Termination Proposal
“Property Funds Appendix”	: Appendix 6 of the CIS Code issued by the MAS
“Proposed Appointment of the New REIT Manager of EH-REIT”	: The proposed appointment of SCCPRE HRM as the new manager of EH-REIT upon the removal of the EH-REIT Manager (as contemplated pursuant to Resolution 1)
“Proposed Appointment of the New Trustee-Manager of EH-BT”	: The proposed appointment of SCCPRE HTM as the new trustee-manager of EH-BT upon the resignation of the EH-BT Trustee-Manager (as contemplated pursuant to Resolution 3)
“Proposed Appointment of the New Trustee-Manager of EH-BT and Waiver of the BTR Notice Period Requirement”	: Collectively, the Proposed Appointment of the New Trustee-Manager of EH-BT and the Waiver of the BTR Notice Period Requirement (as contemplated pursuant to Resolution 3)
“Proposed Authority for the Issuance of Stapled Securities for Payment of the New Managers’ Base Fees”	: The proposed authority for the issuance of up to 140,000,000 new Stapled Securities at the Issue Price per Stapled Security for Payment of the New Managers’ Base Fees for FY2021 and FY2022 (as contemplated pursuant to Resolution 4)
“Proposed Base Fee Supplement (EH-REIT)”	: The proposed Second Supplemental Deed to the EH-REIT Trust Deed to reflect the proposed base fee structure of the New REIT Manager as an Interested Person Transaction (as contemplated under Resolution 2)
“Proposed Bridge Facility”	: The proposed new bridge facility of up to US\$125.0 million to be entered into by EH-REIT and certain of its subsidiaries with a consortium of lender banks led by Bank of America, N.A., which is subject to the relevant parties executing definitive documentation
“Proposed Change of Managers and Related Matters”	: Collectively, (a) the Proposed Appointment of the New REIT Manager of EH-REIT, (b) the Proposed Base Fee Supplement (EH-REIT), (c) the Proposed Appointment of the New Trustee-Manager of EH-BT and Waiver of the BTR Notice Period Requirement and (d) the Proposed Authority for the Issuance of Stapled Securities for Payment of the New Managers’ Base Fees
“Proposed Termination of EH-REIT and Winding-up of EH-BT”	: The proposed implementation of the Termination Proposal in accordance with the Trust Deeds in the event that any of

DEFINITIONS

	Resolution 1, Resolution 2, Resolution 3 and Resolution 4 is not passed and/or carried (as contemplated under Resolution 5)
"Queen Mary Ground Lease"	: The ground leases in respect of the Queen Mary Long Beach Property and the adjacent land and water between the City of Long Beach and/or Port of Long Beach and the Master Lessor of the Queen Mary Long Beach Property
"RECAP"	: Real Estate Capital Asia Partners
"REIT"	: Real estate investment trust
"REIT Base Fee"	: The Base Fee (as defined in the EH-REIT Trust Deed) payable to the manager of EH-REIT
"RevPar"	: Revenue per available hotel rooms in a hotel (which excludes permanent house use hotel rooms)
"RFP Process"	: The Request for Proposal process that the EH-REIT Trustee had instructed and directed Moelis to commence to seek proposals for EHT, on an expedited basis, from interested parties
"SC Capital Partners"	: SC Capital Partners Pte. Ltd.
"SC Group"	: The group of entities which are controlled and owned (directly and indirectly) by Mr. Suchad Chiaranussati (either singly and/or together with his partners)
"SCCPRE"	: SCCPRE Nineteen (S) Pte. Ltd.
"SCORE+"	: SC Core Fund
"Securities Account"	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
"Securities Act"	: U.S. Securities Act of 1933, as amended, varied and supplemented from time to time
"SFA"	: The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
"SGX-ST"	: Singapore Exchange Securities Trading Limited
"Special Committee"	: The Special Committee of the Board of the Managers comprising, as at the Latest Practicable Date, Messrs Davy Lau, Tarun Kataria, Tan Wee Peng Kelvin and Salvatore G. Takoushian
"Sponsor"	: Urban Commons, LLC
"Stapled Security"	: A stapled security of EHT, comprising one (1) EH-REIT Unit and one (1) EH-BT Unit stapled together under the terms of the Stapling Deed
"Stapled Securityholders"	: The registered holders for the time being of the Stapled Securities, including persons so registered as joint holders, except where the registered holder is CDP, the term "Stapled Securityholder" shall in relation to Stapled Securities registered in the name of CDP, mean, where the context requires, the

DEFINITIONS

- Depositor whose Securities Account with CDP is credited with Stapled Securities
- “Stapling Deed”** : Where the context so requires, means the stapling deed dated 11 April 2019 entered into between the EH-REIT Manager, the EH-REIT Trustee, and the EH-BT Trustee-Manager stapling the EH-REIT Units with EH-BT Units, and following the appointment of the New REIT Manager and the New Trustee-Manager, means a new stapling deed containing substantially similar terms as the aforesaid stapling deed to be entered into between the New REIT Manager, the EH-REIT Trustee and the New Trustee-Manager
- “Stockbroker”** : Has the meaning ascribed to it in the EH-REIT Trust Deed and the EH-BT Trust Deed, being (a) a member of the SGX-ST or any other Recognised Stock Exchange (as defined in the Trust Deeds), (b) an entity which holds a financial adviser's licence issued pursuant to the Financial Advisers Act, Chapter 110 of Singapore, (c) an entity which is an exempt financial adviser under the Financial Advisers Act, Chapter 110 of Singapore and/or (d) a holder of a capital markets services licence for the regulated activity of advising on corporate finance pursuant to the SFA
- “Strategic Review”** : The comprehensive strategic review of EHT's business as announced by the Managers on 19 March 2020
- “Substantial Stapled Securityholder”** : A person with an interest in Stapled Securities constituting not less than 5.0% of the total number of Stapled Securities in issue
- “Suspension Issue Price Clarification”** : The proposed amendment to the EH-REIT Trust Deed (as part of the Proposed Base Fee Supplement (EH-REIT)) to clarify that the Issue Price of the Stapled Securities issued as payment for the New REIT Manager's REIT Base Fees while trading in the Stapled Securities remains suspended will be the NAV per Stapled Security as at the end of the relevant quarter or period in respect of which the REIT Base Fee is being paid
- “Temporary Waiver”** : The temporary waiver from compliance with Paragraph 7.2 of the Property Funds Appendix granted by the MAS to EHT to the earlier of (a) 30 June 2021 or (b) the date on which the MLA Internalisation has been completed and/or master lease agreements with third party master lessees are entered into in respect of the Properties
- “Termination Proposal”** : The proposed (a) voluntary delisting of EHT, (b) voluntary termination and winding-up of EH-REIT, and (c) voluntary winding-up of EH-BT, in accordance with the Trust Deeds (as contemplated to be implemented pursuant to Resolution 5)
- “TPrime REIT”** : Thailand Prime Property Freehold and Leasehold REIT
- “Trust Deeds”** : Collectively, the EH-REIT Trust Deed, the EH-BT Trust Deed and the Stapling Deed
- “United States”** : United States of America
- “Valuation Summary”** : The valuation summary from the Independent Valuer in respect of each Property as at 31 August 2020 as set out in Appendix F to this Circular

DEFINITIONS

“VWAP”	:	Volume weighted average price
“Waiver of BTR Notice Period Requirement”	:	The proposed waiver of the 14-days’ notice period required under Regulation 14(3)(b) of the BTR in relation to the tabling of the resolution in respect of the Proposed Appointment of the New Trustee-Manager of EH-BT at the EGM
“JPY”	:	Japanese Yen
“S\$” or “SGD”	:	Singapore dollars
“US\$” or “USD” and “US cents”	:	United States dollars and cents respectively
“%” or “per cent”	:	percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The term “**subsidiary**” shall have the same meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include firms, corporations and other entities.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted up to the Latest Practicable Date. Any term defined under the Companies Act, the SFA, the Listing Manual, the CIS Code, the Property Funds Appendix or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Listing Manual, the CIS Code, the Property Funds Appendix or any statutory modification thereof, as the case may be, unless otherwise provided. Summaries of the provisions of any laws and regulations (including the Companies Act, the SFA, the Listing Manual, the CIS Code and the Property Funds Appendix) contained in this Circular are of such laws and regulations (including the Companies Act, the SFA, the Listing Manual, the CIS Code and the Property Funds Appendix) as at the Latest Practicable Date.

Any reference to a time of day or date in this Circular shall be a reference to a time of day or date, as the case may be, in Singapore, unless otherwise stated.

Any discrepancies in figures in this Circular between the amounts stated and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them. Where applicable, figures and percentages are rounded to the nearest two (2) decimal places.



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)

EAGLE HOSPITALITY BUSINESS TRUST

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

Boards of Directors of the Managers:

Davy Lau (*Lead Independent Director and Independent Non-Executive Director*)
Tarun Kataria (*Independent Non-Executive Director*)
Tan Wee Peng Kelvin (*Independent Non-Executive Director*)
Salvatore G. Takoushian (*Executive Director and Chief Executive Officer*)

Registered Office:

8 Marina Boulevard
#11-15/17
Marina Bay Financial Centre
Tower 1
Singapore 018981

EH-REIT Trustee:

DBS Trustee Limited
(in its capacity as trustee of
Eagle Hospitality Real Estate Investment Trust)

Registered Office:

12 Marina Boulevard
Level 44 DBS Asia Central
@ Marina Bay Financial Centre
Tower 3
Singapore 018982

8 December 2020

To: The Stapled Securityholders of Eagle Hospitality Trust

Dear Sir/Madam

THE PROPOSED CHANGE OF MANAGERS AND RELATED MATTERS

- (1) **THE PROPOSED APPOINTMENT OF SCCPRE HRM AS THE NEW REIT MANAGER OF EH-REIT (ORDINARY RESOLUTION)**
- (2) **THE PROPOSED BASE FEE SUPPLEMENT TO THE EH-REIT TRUST DEED TO REFLECT THE PROPOSED BASE FEE STRUCTURE OF THE NEW REIT MANAGER AS AN INTERESTED PERSON TRANSACTION (EXTRAORDINARY RESOLUTION)**
- (3) **THE PROPOSED APPOINTMENT OF SCCPRE HTM AS THE NEW TRUSTEE-MANAGER OF EH-BT AND WAIVER OF THE BTR NOTICE PERIOD REQUIREMENT (ORDINARY RESOLUTION)**
- (4) **THE PROPOSED AUTHORITY FOR THE ISSUANCE OF UP TO 140,000,000 NEW STAPLED SECURITIES AT THE ISSUE PRICE PER STAPLED SECURITY FOR PAYMENT OF THE BASE FEES PAYABLE TO THE NEW REIT MANAGER AND THE NEW TRUSTEE-MANAGER FOR FY2021 AND FY2022 (ORDINARY RESOLUTION)**

OR

THE TERMINATION PROPOSAL

- (5) IN THE EVENT THAT ANY OF RESOLUTION 1, RESOLUTION 2, RESOLUTION 3 AND RESOLUTION 4 IS NOT PASSED AND/OR CARRIED, THE PROPOSED (A) VOLUNTARY DELISTING OF EHT, (B) VOLUNTARY TERMINATION AND WINDING-UP OF EH-REIT, AND (C) VOLUNTARY WINDING-UP OF EH-BT (EXTRAORDINARY RESOLUTION)**

1. INTRODUCTION

1.1 Background and Strategic Review

- 1.1.1 On 24 March 2020, the Managers announced that they had on 20 March 2020 received the BoA Notice of Default and Acceleration in relation to the BoA Facilities Agreement, of which US\$341.0 million had been borrowed to date. Based on the BoA Notice of Default and Acceleration, an event of default had occurred under the BoA Facilities Agreement, and as such, Bank of America, N.A. (being the BoA Facilities Agreement Administrative Agent), on behalf of the BoA Facilities Agreement Lenders, is entitled to and is exercising its right and remedies under the BoA Facilities Agreement, including the right to accelerate the entirety of the loan under the BoA Facilities Agreement, with the principal amount of US\$341.0 million declared immediately due and owing.
- 1.1.2 The Special Committee was subsequently established on 1 April 2020 to oversee, amongst other items, matters relating to the Strategic Review and the engagement and discussion with other counterparties (such as the Master Lessees and other lenders of EHT), including the BoA Facilities Agreement Administrative Agent and the BoA Facilities Agreement Lenders in respect of the BoA Facilities Agreement and BoA Notice of Default and Acceleration issued thereunder.
- 1.1.3 The difficulties faced by EHT, as detailed in the Managers' earlier announcements from March 2020 onwards, have also necessitated the need for a comprehensive restructuring of EHT's business. These difficulties include, amongst others, (a) the various delinquencies on the part of the Master Lessees, including the non-fulfilment of rental obligations under the Master Lease Agreements entered into with EH-REIT (through the subsidiaries of EH-REIT), (b) the numerous defaults and/or termination of the relevant Hotel Management Agreements and numerous defaults of the Franchise Agreements in respect of the Properties, as a result of, amongst others, the Master Lessees' failure to fulfil their obligations under the respective agreements, and (c) COVID-19 heavily impacting the United States hospitality industry and leading to weak market conditions. Due to these factors, 15 Properties were closed and the lack of rental/operating income has depleted EHT's financial resources.
- 1.1.4 Furthermore, as a result of the circumstances faced by EHT as briefly described above, EHT has been unable to meet its principal and/or interest repayment obligations under the other loan agreements entered into by EHT. As at the Latest Practicable Date, in addition to the BoA Facilities Agreement, EHT is also in default of its obligations under the following loan agreements and financing agreements (being the other EHT Debt Facilities):
- (a) the DW Mortgage Loan in respect of the Delta Woodbridge Property with a principal amount of US\$35.0 million as at the Listing Date and an outstanding principal amount of US\$34.7 million as at the Latest Practicable Date;
 - (b) the HHG Mortgage Loan in respect of the Hilton Houston Galleria Area Property with an outstanding amount of US\$15.3 million as at the Listing Date and an outstanding principal amount of US\$14.9 million as at the Latest Practicable Date;
 - (c) the CPDG Mortgage Loan in respect of the Crowne Plaza Dallas Near Galleria-Addison Property with an outstanding amount of US\$27.2 million as at the Listing Date and an outstanding principal amount of US\$12.0 million as at the Latest Practicable Date;
 - (d) the BotW Swap Agreement in respect of the US\$341.0 million loan under the BoA Facilities Agreement; and

LETTER TO STAPLED SECURITYHOLDERS

- (e) the Lendco Unsecured Loan with an outstanding principal amount of US\$89.0 million as at the Listing Date and the Latest Practicable Date.
- 1.1.5 The respective lenders of the EHT Debt Facilities may be able to declare and initiate enforcement proceedings in respect of any security provided and/or call upon any guarantees provided, upon the default by EHT of its obligations under such EHT Debt Facilities. As at the Latest Practicable Date, EHT has received notices of default or acceleration and/or demands for payment in respect of all of the EHT Debt Facilities save for the Lendco Unsecured Loan, with the total amount becoming immediately due and payable at approximately US\$442.0 million (including accrued interest and withholding taxes up to 31 December 2020). The Managers, with the assistance of its professional advisers, have been actively engaging the respective lenders of the EHT Debt Facilities (save for Lendco) on the defaults under the EHT Debt Facilities (save for the Lendco Unsecured Loan), with a view to achieving longer-term forbearance arrangements on acceptable commercial terms whilst the Strategic Review and comprehensive restructuring of EHT's business are ongoing.
- 1.1.6 As disclosed in the Managers' announcement dated 23 September 2020 and as a result of the Strategic Review, statutory notices of termination of the Master Lease Agreements have been issued by the Master Lessors (being subsidiaries of EH-REIT) of all the 18 Properties. The Master Lessors will (a) not generate any rental income as there will no longer be a tenant of the Properties given that the Master Lease Agreements have been terminated and there are no replacement tenants leasing the Properties from the Master Lessors at this point in time, and (b) receive their revenue (if any) directly from the operation and management of EHT's Hotels which are open (i.e. from the three (3) Hotels that remain open and any other Hotels that may re-open in the near future) and not through rental income as the landlord of the Properties under the master lease construct. As such, EHT will directly enter into new Hotel Management Agreements (or, where applicable, caretaker Hotel Management Agreements) and Franchise Agreements for the respective hotel managers to manage and operate the Hotels under the brand name of the relevant franchisors. Please refer to Paragraph 2.2.7 for further details on the activation of EH-BT and the MLA Internalisation.
- 1.2 Request for Proposal Process**
- 1.2.1 Moelis was appointed by the Managers and the EH-REIT Trustee on 26 April 2020 as the professional financial adviser to assist the Special Committee and the EH-REIT Trustee in undertaking the Strategic Review of EHT's business, including advising on available options to achieve the best possible outcomes for Stapled Securityholders. The Special Committee and the EH-REIT Trustee had instructed Moelis to review all available options to EHT, with the overriding objective that such Strategic Review is to be carried out in the best interests of EHT and its Stapled Securityholders.
- 1.2.2 Whilst the Special Committee and the EH-REIT Trustee had mandated and desired to proceed with a Request for Proposal process to evaluate and consider proposals developed from the non-binding, preliminary and indicative expressions of interest that may have been received from various parties, the Special Committee was informed by the owners of the Sponsor (who in turn own 100% of the Managers) that they took the position that they had legally committed to enter into exclusive discussions with a potential third party investor in relation to the acquisition of a controlling stake in the Managers by such third party, and as such, the owners of the Sponsor were not in a position to explore other proposals involving an investment in the Managers while being bound by contract. Given the position that the owners of the Sponsor that they were contractually committed to negotiate with the potential third party investor, the Special Committee was unable to proceed with the Request for Proposal process since any change in control of the Managers would require the consent of the shareholder of the Managers.
- 1.2.3 The Special Committee and the EH-REIT Trustee then worked together with Moelis towards providing feedback on the third party proposal, with a view to facilitating a transaction while safeguarding the interests of EHT and the Stapled Securityholders. However, the Managers and the EH-REIT Trustee were subsequently informed by the relevant third party that it would not be proceeding with the proposed acquisition of a controlling stake in the Managers. The

LETTER TO STAPLED SECURITYHOLDERS

EH-REIT Trustee, in considering all options in the interests of Stapled Securityholders, then instructed and directed Moelis to commence the RFP Process to seek proposals for EHT (including but not limited to proposals relating to the replacement of the Managers), on an expedited basis, from interested parties.

1.2.4 In connection with the RFP Process over the course of three (3) months from end July 2020 to October 2020, the EH-REIT Trustee had received several non-binding, preliminary and indicative expressions of interests and (subsequently) comprehensive proposals from various parties. The EH-REIT Trustee worked with its professional advisers to engage and develop each credible expression of interest with the relevant interested parties to the fullest extent practically possible with a view to maximising value for EHT and its Stapled Securityholders. The EH-REIT Trustee and its professional advisers also took into account considerations and feedback from the lenders of EHT (including the BoA Facilities Agreement Lenders) to the extent possible, with regard to the shortlisted expression of interest's proposal relating to the EHT Debt Facilities.

1.2.5 On 1 December 2020, the EH-REIT Trustee had announced the conclusion of the RFP Process on 28 October 2020 as well as SCCPRE HRM as the proposed manager of EH-REIT, subject to Stapled Securityholders' approval at an extraordinary general meeting. Please refer to Paragraph 2 below for further details on SCCPRE, including details on the Proposed Change of Managers and Related Matters.

1.2.6 Notice of Intention from MAS

On 27 October 2020 and 28 October 2020, each of the Managers and the EH-REIT Trustee respectively announced that the EH-REIT Manager had received the Notice of Intention (EH-REIT Manager) and the EH-REIT Trustee had received the Notice of Intention (EH-REIT Trustee) issued by the MAS on 26 October 2020 in relation to the MAS' intention to direct the EH-REIT Trustee to remove the EH-REIT Manager as the manager of EH-REIT and to appoint a new manager of EH-REIT pursuant to Section 286(14) of the SFA. On 30 November 2020, the MAS issued the EH-REIT Manager Removal Direction to the EH-REIT Trustee directing the EH-REIT Trustee to remove the EH-REIT Manager within one (1) month from 30 November 2020 (or any longer period as the MAS may approve in writing) and appoint a new manager for EH-REIT as soon as possible thereafter pursuant to Section 286(14) of the SFA. Accordingly, the EH-REIT Trustee intends to remove the EH-REIT Manager with effect from the conclusion of the EGM on 30 December 2020.

1.2.7 Further Developments

As disclosed in the Managers' announcement dated 6 November 2020, the Independent Valuer valued the Properties as at 31 August 2020 at US\$726,900,000 on an "as is" basis and US\$899,600,000 on a stabilised basis¹. As announced by the Managers on 6 November 2020, the Independent Valuer noted in its valuation report that the decrease from the valuation of the Properties as at 31 December 2018 previously done by the Independent Valuer prior to the IPO of EHT is primarily due to, amongst others, the negative impact of COVID-19 on property operating metrics, which remains unprecedented and beyond what was witnessed during the global financial crisis, and in turn has also resulted in an increase in risk premium being demanded by investors in the hospitality sector. Further, the Independent Valuer remarked that, on a weighted average basis, the decrease by 38.1% (on an "as is" basis) and 23.8% (on a stabilised basis) respectively from the valuations of the Properties as at 31 December 2018 remains well within the expected range cited by other industry experts. As at 30 September

¹ Due to the impact of COVID-19, the Independent Valuer has included an Upon Stabilisation value for the Properties. This is to reflect the current situation whereby owners are not under pressure to sell at discounted values, unless under duress, and are therefore prepared to hold assets in the near term in anticipation of the bid ask gap narrowing, in terms of pricing, and as values recover. Under the stabilised basis, the Properties are valued as if they were operating at a fully stabilised level as of the date of the Independent Valuer's inspection, post-COVID-19. It should be noted that stabilisation does not imply a return to pre-COVID-19 levels but that the Property is achieving its fair market share and has reached its mature level of operation in a recovered market. The Independent Valuer's valuation of EHT's portfolio as at 31 August 2020 was prepared without any assumptions of master lease arrangements and based on the anticipated income generated at the property level on a flow through basis to EHT.

LETTER TO STAPLED SECURITYHOLDERS

2020, EH-REIT's aggregate leverage is approximately 65.5%² (excluding accrued and default interest but including the termination cost of the BotW Swap Agreement) based on the "as is" valuation of the Properties. As 15 of the 18 Hotels in EHT's portfolio currently remain closed as at the Latest Practicable Date, EH-REIT is unable to generate sufficient operating income from its Properties to fund the costs expected to be incurred to reopen the Hotels, pay for operating expenses of the Hotels and mandatory capital expenses required under the Franchise Agreements and for general working capital purposes.

- 1.2.8 As such, EH-REIT and its subsidiaries are exploring entering into the Proposed Bridge Facility of up to US\$125.0 million with a consortium of lender banks led by Bank of America, N.A. The provisions of the agreed term sheet with the Bank of America, N.A. in respect of the Proposed Bridge Facility are summarised under Paragraph 1.4 below. While EH-REIT (and certain subsidiaries of EH-REIT) have entered into a mandate letter with the Bank of America, N.A. relating to the Proposed Bridge Facility, the Proposed Bridge Facility is nonetheless still subject to the relevant parties executing definitive documentation. **Stapled Securityholders should note that there is no certainty or assurance as at the Latest Practicable Date that definitive documentation in relation to the Proposed Bridge Facility will materialise or be entered into, or that the terms of any such definitive documentation in relation to the Proposed Bridge Facility will be obtained on standard or acceptable terms.** To this end, EH-REIT is in the process of obtaining a waiver from the MAS from compliance with Paragraph 9.2 of the Property Funds Appendix, which restricts the aggregate leverage of EH-REIT to a maximum of 50.0% before 1 January 2022 and a maximum of 45.0% after 1 January 2022 if EH-REIT has a minimum adjusted interest coverage ratio below 2.5 times after taking into account the interest payment obligations arising from the new borrowings. The Managers and/or the EH-REIT Trustee will make an announcement when such waiver is obtained from the MAS, which is currently expected to be obtained prior to the date of the EGM.
- 1.2.9 Stapled Securityholders may refer to the Managers' earlier announcements from March 2020 onwards for further background information on the above. Copies of such announcements are available on SGXNET and on EHT's website at <https://eagleht.com>.
- 1.3 **EH-REIT Trustee's Considerations in Selection of SCCPRE HRM as the New REIT Manager and SCCPRE HTM as the New Trustee-Manager of EH-BT**

After giving proper and careful consideration to each credible comprehensive proposal received under the RFP Process, the EH-REIT Trustee (based on the recommendation of its professional advisers) considered the Proposed Change of Managers and Related Matters (being collectively, (a) the Proposed Appointment of the New REIT Manager of EH-REIT, (b) the Proposed Base Fee Supplement (EH-REIT), (c) the Proposed Appointment of the New Trustee-Manager of EH-BT and Waiver of the BTR Notice Period Requirement, and (d) the Proposed Authority for the Issuance of Stapled Securities for Payment of the New Managers' Base Fees), to be the most credible proposal to put forth to the Stapled Securityholders for the following reasons:

(a) **Relevant experience and track record of the SC Group**

The New REIT Manager is a wholly-owned subsidiary of SCCPRE. The New REIT Manager and SCCPRE are part of the SC Group. Based on their experience and track record as detailed in Paragraph 2.1 below, including their experience with the Japan

² Aggregate leverage is calculated based on the valuation done on the Properties done as at 31 August 2020 and includes the termination cost of the BotW Swap Agreement of approximately US\$18.3 million (excluding accrued interest) as part of the borrowings of EH-REIT. In the event that such termination cost is not included, the aggregate leverage of EH-REIT as at 30 September 2020 would be approximately 63.1%.

As set out in Paragraph 9.2(a) of the Property Funds Appendix, the total borrowings and deferred payments (collectively, the "aggregate leverage") of a property fund should not, before 1 January 2022, exceed 50% of the fund's deposited property. As of 30 September 2020, the aggregate leverage of EHT is at 65.5%. Paragraph 9.4(a) of the Property Funds Appendix further provides that aggregate leverage limit is not considered to be breached if due to circumstances beyond the control of the manager there is a depreciation in the asset value of the property fund, and upon which, the manager should not incur additional borrowings or enter into further deferred payment arrangements.

LETTER TO STAPLED SECURITYHOLDERS

Hotel REIT Investment Corporation (“JHR”) and SC Group’s network of relationships with various players in the hospitality sector, the SC Group possesses the relevant expertise to turnaround and manage EH-REIT.

(b) **A focus on the long-term rehabilitation of EH-REIT**

The New REIT Manager’s and New Trustee-Manager’s business plan, which contemplates the activation of EH-BT and MLA Internalisation, as detailed in Paragraph 2.2.7 below, highlights a two-phased process of (i) stabilisation, and (ii) growth.

Phase 1: Reopening the Properties and Returning them to Stabilisation

Upon the Master Lessors obtaining legal and physical possession of the Properties, the New REIT Manager intends to work closely with the hotel managers and franchisors to re-open and commence operations at those Properties at the appropriate time (subject to, among others, market conditions) with an objective to stabilise the operations and performance of the Properties.

Phase 2: Achieving Long Term Growth to Deliver Regular and Stable Distributions to Stapled Securityholders

The New REIT Manager plans to achieve long-term growth while maintaining an appropriate capital structure. The proposed key strategies are:

- Proactive asset management and enhancement strategies to optimise the cash flow and value of the Properties;
- Investments and acquisition growth to source for suitable asset acquisition opportunities which provide attractive returns; and
- Prudent approach to capital management to optimise risk-adjusted returns.

(c) **Ability to procure critical capital investment via the Proposed Bridge Facility of up to US\$125.0 million**

As any ability to rehabilitate EHT is heavily reliant on the receptiveness of the EHT’s lenders, particularly the BoA Facilities Agreement Lenders, the EH-REIT Trustee and its professional advisers considered the feedback of the BoA Facilities Agreement Lenders to the various proposals received in the RFP Process. The BoA Facilities Agreement Lenders are receptive to engaging in discussions with SCCPRE HRM with respect to the proposal that SCCPRE HRM would be appointed as the new manager of EH-REIT.

Furthermore, following extensive discussions between the EH-REIT Trustee, the New REIT Manager, their respective professional advisers and the BoA Facilities Agreement Lenders, EH-REIT (and certain subsidiaries of EH-REIT) have entered into a mandate letter with the Bank of America, N.A. and are in the process of entering into the Proposed Bridge Facility of up to US\$125.0 million with a consortium of lender banks led by Bank of America, N.A., the terms of which are currently undergoing discussions and negotiations and subject to the relevant parties executing definitive documentation. Stapled Securityholders should note that there is no certainty or assurance as at the Latest Practicable Date that the Proposed Bridge Facility will be obtained, that definitive agreements in relation to the Proposed Bridge Facility will materialise or be entered into, or that the terms of any such definitive agreements will be materially on the same basis as those summarised in Paragraph 1.4 below, or will be standard or acceptable terms.

It is further envisaged that the Proposed Bridge Facility will be drawn down as required by EH-REIT in accordance with its terms, and the proceeds from the various drawdowns will be used to fund the property-level budget prepared by the New

LETTER TO STAPLED SECURITYHOLDERS

Managers, which includes property expenses, hotel reopening costs, and general working capital of 15 Hotels (which form all of the Borrowing Base Properties under the BoA Facilities Agreement), in return for first priority liens on the 15 Hotels (for which the BoA Facilities Agreement Lenders currently have equity pledges over) being granted to the proposed lenders, amongst other conditions. The Proposed Bridge Facility is required as there are limited cash resources currently available to EH-REIT and with the closure of 15 of the 18 Hotels as at the Latest Practicable Date, EH-REIT is currently unable to generate sufficient operating income from its Properties to fund the costs expected to be incurred to reopen the Hotels, pay for operating and mandatory capital expenses required under the existing Franchise Agreements and Hotel Management Agreements and for general working capital purposes.

Please refer to Paragraph 1.4 for a summary of the salient terms of the Proposed Bridge Facility.

(d) **Minimal dilution impact to Stapled Securityholders**

Of the comprehensive proposals received as part of the RFP Process, SCCPRE HRM's proposal presents a key benefit of preserving value within EHT with minimal dilution impact to Stapled Securityholders as it does not contemplate any immediate equity fund raisings in weak market conditions or any debt fund raisings at interest rates which would be expensive in the context of EH-REIT as a borrower. Any equity raisings that may occur in the future will be envisaged if market conditions are more opportune.

The dilution to Stapled Securityholders is currently expected to arise with regards to the Proposed Base Fee Supplement (EH-REIT) to incorporate a Minimum Fee in the REIT Base Fee payable to the New REIT Manager from the Effective Date up to the end of FY2023, as the New Managers will agree to be paid their Base Fees for FY2021 and FY2022 in the form of Stapled Securities (in accordance with the terms of the EH-REIT Trust Deed and EH-BT Trust Deed), so as to preserve cash flows for operational and working capital uses and strengthen alignment of interest of the New Managers with that of Stapled Securityholders (further details are set out in Paragraph 2.3.2(c) below).

1.4 Salient Terms of the Proposed Bridge Facility

The salient terms of the Proposed Bridge Facility are summarised in the table below:

Lenders	Lenders under the BoA Facilities Agreement that elect to participate in the Proposed Bridge Facility
Administrative Agent	Bank of America, N.A.
Guarantors	Guarantors under the BoA Facilities Agreement
Principal Amount	Up to US\$125.0 million credit facility, consisting of term loans available in multiple draws
Maturity Date	30 June 2022; may be extended for an 18-month period (subject to conditions)
Term and Extension Option	18 months + 18 months (subject to conditions)
Interest Rate Per Annum	7.0% plus the prime rate of 3.25% as publicly announced by Bank of America, N.A. (which is subject to change as may be announced by Bank of America, N.A. from time to time)
Collateral and Priority	The collateral securing the Proposed Bridge Facility will include (a) first priority liens on the real property securing the

LETTER TO STAPLED SECURITYHOLDERS

	<p>BoA Facilities Agreement, and (b) pledges of the equity interests in the direct property owners of such real property. The BoA Facilities Agreement Lenders will be required to agree to subordinate the obligations of the loan parties under the BoA Facilities Agreement and the obligations of all other loan parties to the payment in full of the Proposed Bridge Facility.</p>
Permitted Uses of the Proposed Bridge Facility	<p>Items identified in a property-level budget prepared by the New Managers, including interest reserves, property expenses, REIT organizational and other expenses, and past-due liabilities related to the 15 Borrowing Base Properties.</p>
Closing Conditions Precedent	<p>Closing of the Proposed Bridge Facility is conditional upon certain conditions, including the following:</p> <ul style="list-style-type: none"> • the MAS granting EHT an extension of the Temporary Waiver from compliance with Paragraph 7.2 of the Property Funds Appendix; • the MAS granting EH-REIT a waiver from compliance with Paragraph 9.2 of the Property Funds Appendix; • passing of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 by Stapled Securityholders at the EGM; and • execution, delivery and effectiveness of amendments, waivers, forbearance or other relief under the BoA Facilities Agreement, whether from all of the existing BoA Facilities Agreement Lenders or from the required lenders thereunder, and as deemed sufficient by Bank of America, N.A. and lenders participating in the Proposed Bridge Facility, that will prevent the BoA Facilities Agreement Lenders from exercising any remedies with respect to such existing events of default under the BoA Facilities Agreement for so long as the facility remains outstanding without the approval of the required lenders under the definitive document to be entered into in respect of the Proposed Bridge Facility.
Other Key Conditions	<ul style="list-style-type: none"> • Certain key milestones would be required to be met under the Proposed Bridge Facility, including the reopening of the Borrowing Base Properties by 31 December 2021; any failure to achieve these milestones would enable the lenders to cease the funding of the Proposed Bridge Facility and permit the Proposed Bridge Facility to be accelerated. • The requirement to sell certain Properties in 2021 within the timelines provided, with net proceeds from such sale to be utilised for the payment of specified items including advances under the Proposed Bridge Facility, required repayment of advances funded for REIT expenses and permitted uses in the Proposed Bridge Facility, provided that EH-REIT shall not be required to consummate any such disposition where the marketing process has not resulted in a bid or offer or Bank of America, N.A. has not approved the pricing or terms of the proposed disposition.

LETTER TO STAPLED SECURITYHOLDERS

	<ul style="list-style-type: none"> • The requirement for minimum equity capital raising of US\$20 million by 31 December 2021 and US\$30 million by 31 December 2022 with net proceeds to be utilised for the payment of approved REIT expenses or repayment of advances under the Proposed Bridge Facility that were funded for the payment of approved REIT expenses or otherwise for the payment of permitted uses in the Proposed Bridge Facility. • No distributions shall be permitted during the term of the Proposed Bridge Facility. • Resumption of trading of the Stapled Securities on or before 30 September 2021 unless otherwise approved by the existing participating lenders and subject to regulatory approvals.
--	--

Note:

- (1) The above description is only a summary of the material provisions of the Proposed Bridge Facility which is currently under negotiations and discussions, and does not purport to be complete and is qualified in its entirety by reference to the relevant parties executing definitive documentation with respect to the Proposed Bridge Facility.

The Proposed Bridge Facility will include representations, warranties and covenants by the proposed borrowers of the Proposed Bridge Facility, mandatory prepayments, and events of default, which are customary for United States mortgage loans of this type.

Further, the Proposed Bridge Facilities are subject to certain fees:

- (i) extension fee equal to 2.0% of the then-outstanding principal balance and available commitments under the Proposed Bridge Facility being extended;
- (ii) commitment fee equal to 1.0% of total commitments under the Proposed Bridge Facility; and
- (iii) exit fee of 1.0% of the principal balance paid, repaid or declared due and payable prior to 31 December 2021, 1.5% of the principal balance paid, repaid or declared due and payable prior to 31 December 2022 and 2.0% of the principal balance paid, repaid or declared due and payable prior to 31 December 2023.

Capital Structure of EHT (assuming as of 31 December 2020)

Borrowings	Amount (US\$'million)
BoA Facilities Agreement ⁽¹⁾	356.7
BotW Swap Agreement ⁽²⁾	18.4
Mortgage Loans ⁽³⁾	66.1
Lendco Unsecured Loan ⁽⁴⁾	91.8
Proposed Bridge Facility	10.3 ⁽⁵⁾
Total Borrowings	543.4

LETTER TO STAPLED SECURITYHOLDERS

Capital Structure of EHT (assuming full drawdown of the Proposed Bridge Facility)

Borrowings	Amount (US\$'million)
BoA Facilities Agreement ⁽¹⁾	356.7
BotW Swap Agreement ⁽²⁾	18.4
Mortgage Loans ⁽³⁾	66.1
Lendco Unsecured Loan ⁽⁴⁾	91.8
Proposed Bridge Facility	125.0
Total Borrowings	658.1

Notes:

(1) Including principal loan of US\$341.0 million, accrued contractual interest up to 31 December 2020 of US\$10.1 million, and accrued default interest up to 31 December 2020 of US\$5.7 million, assuming the Proposed Bridge Facility does not include an interest reserve for the BoA Facilities Agreement. It is assumed that all outstanding interest and, going forward, all interest that continues to accrue on the BoA Facilities Agreement, shall accrue but shall not be currently payable for so long as the Proposed Bridge Facility is outstanding.

If the Proposed Bridge Facility includes an interest reserve for the BoA Facilities Agreement, then all outstanding non-default interest (calculated based on the base rate provided for in the BoA Facilities Agreement) will be paid upon the closing of the Proposed Bridge Facility and, going forward, the non-default portion of interest (calculated based on the base rate provided for in the BoA Facilities Agreement) will be required to be paid as it becomes due. Interest will continue to accrue at the default rate on the outstanding principal balance of the obligations under the BoA Facilities Agreement and on accrued but unpaid interest. The borrowings would then include the principal loan of US\$341.0 million, and accrued default interest up to 31 December 2020 of US\$5.7 million, assuming long-term forbearance extension is received.

(2) Whilst not a borrowing but an obligation, the termination cost of the BotW Swap Agreement will remain outstanding. Including principal termination cost of US\$18.3 million and accrued interest up to 31 December 2020 of US\$0.2 million.

(3) Including principal loan of US\$61.6 million and accrued interest up to 31 December 2020 of US\$4.4 million, assuming forbearance extension is received.

(4) Including principal loan of US\$89.0 million, and accrued interest and late fees up to 31 December 2020 of US\$2.8 million.

(5) The figure of US\$10.3 million is for illustrative purposes only and the actual drawdown of the Proposed Bridge Facility as of 31 December 2020 may be higher or lower than US\$10.3 million.

For illustration purposes: Assuming the initial drawdowns under the Proposed Bridge Facility are completed on 30 December 2020, based on the initial scheduled drawdown under the new Proposed Bridge Facility of US\$10.3 million and additional capitalised accrued interest of the existing borrowings, EHT is expected to have an aggregate leverage of approximately 71.3% as at 31 December 2020, compared to 65.5% as at 30 September 2020.

The COVID-19 pandemic has resulted in an unprecedented impact on the hospitality and lodging industry in the United States, which has resulted in a significant decrease in valuation of the Properties to US\$726.9 million as of 31 August 2020, a US\$533.7 million (41.0% on a weighted average basis) decrease from reported valuations of US\$1,260.6 million as of 31 December 2019. To a large extent, this has contributed to the increase of EH-REIT's aggregate leverage.

As per the Independent Valuer's Valuation Summary, the Independent Valuer was of the opinion that investment in the United States hospitality sector is likely to remain high given the desirability of the asset class and values will eventually recover. As market conditions and property level performance improve, it is envisaged that the value of the Properties will recover and EH-REIT's aggregate leverage will correspondingly reduce in due course.

LETTER TO STAPLED SECURITYHOLDERS

In the medium to long term, the New REIT Manager will endeavour to continue to reduce the aggregate leverage to the permitted limit under the Property Funds Appendix through a combination of portfolio rebalancing (which includes divestment of select Properties as described above as well as new accretive acquisitions, where appropriate), creation of valuation uplift through rigorous asset management initiatives and (subject to market conditions and other factors which the New Managers may consider relevant) recapitalising EHT's balance sheet through new equity issuances.

Stapled Securityholders should note that as at the Latest Practicable Date, the Proposed Bridge Facility is currently the subject of negotiations and discussions, and there is no certainty or assurance as at the Latest Practicable Date that definitive documentation in relation to the Proposed Bridge Facility will materialise or be entered into, or that the terms of any such definitive documentation will be materially on the same basis as those summarised above, or will be obtained on standard or acceptable terms. EH-REIT (and certain subsidiaries of EH-REIT) have entered into a mandate letter with Bank of America, N.A. relating to the Proposed Bridge Facility, which provided for an exclusivity period expiring on the earlier of (a) the closing of the Proposed Bridge Facility and (b) 31 January 2021 (or such earlier date as may be agreed by the parties).

For the avoidance of doubt, the Managers were not involved in the discussions and negotiations relating to the Proposed Bridge Facility and the mandate letter with Bank of America, N.A. relating to the Proposed Bridge Facility.

1.5 Purpose of this Circular

- 1.5.1 The purpose of this Circular is to provide relevant information and seek Stapled Securityholders' approval for the following resolutions to be tabled at the EGM, the details of which are contained in the Notice of EGM, and to give the Stapled Securityholders notice of the EGM.

THE PROPOSED CHANGE OF MANAGERS AND RELATED MATTERS

- (a) **Resolution 1:** The Proposed Appointment of SCCPRE HRM as the New REIT Manager of EH-REIT (Ordinary Resolution);
- (b) **Resolution 2:** The Proposed Base Fee Supplement to the EH-REIT Trust Deed to Reflect the Proposed Base Fee Structure of the New REIT Manager as an Interested Person Transaction (Extraordinary Resolution);
- (c) **Resolution 3:** The Proposed Appointment of SCCPRE HTM as the New Trustee-Manager of EH-BT and Waiver of the BTR Notice Period Requirement (Ordinary Resolution); and
- (d) **Resolution 4:** The Proposed Authority for the Issuance of up to 140,000,000 new Stapled Securities at the Issue Price per Stapled Security for Payment of the Base Fees payable to the New REIT Manager and the New Trustee-Manager for FY2021 and FY2022 (Ordinary Resolution);

OR

THE TERMINATION PROPOSAL

- (e) **Resolution 5:** In the event that any of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 is not passed and/or carried, the Proposed (A) Voluntary Delisting of EHT, (B) Voluntary Termination and Winding-up of EH-REIT, and (C) Voluntary Winding-up of EH-BT (Extraordinary Resolution).

- 1.5.2 **Stapled Securityholders should note that:**

LETTER TO STAPLED SECURITYHOLDERS

- (a) **Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are inter-conditional on the passing of each other. This means that in the event that any of Resolution 1, Resolution 2, Resolution 3 or Resolution 4 is not passed:**
 - (i) **none of the remaining Resolution 1, Resolution 2, Resolution 3 or, as the case may be, Resolution 4 will be put to the vote of Stapled Securityholders; and**
 - (ii) **none of Resolution 1, Resolution 2, Resolution 3 and Resolution 4, will be carried and none of these resolutions will be proceeded with.**
- (b) **In the event that any of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 is not passed and/or carried, Resolution 5 will be put forth for voting. For the avoidance of doubt, if all of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are passed, Resolution 5 will not be put to the vote of Stapled Securityholders.**

1.5.3 This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Stapled Securityholders) or for any other purpose.

1.6 Legal Advisers

1.6.1 Rajah & Tann Singapore LLP is the legal adviser to the Managers as to Singapore law aspects only in relation to the Proposed Change of Managers and Related Matters and the Termination Proposal.

1.6.2 Shook Lin & Bok LLP is the legal adviser to the EH-REIT Trustee as to Singapore law aspects only in relation to the Proposed Change of Managers and Related Matters and the Termination Proposal.

1.6.3 Paul Hastings LLP is the legal adviser to the Managers and the EH-REIT Trustee as to United States law aspects only in relation to the Termination Proposal.

2. THE PROPOSED CHANGE OF MANAGERS AND RELATED MATTERS (RESOLUTIONS 1 TO 4)

2.1 Background on SCCPRE

Information in this Paragraph 2.1 has been provided by SCCPRE to the Managers and the EH-REIT Trustee. While the Managers and the EH-REIT Trustee have taken reasonable action to ensure that the information reproduced in this Paragraph 2.1 is extracted accurately and fairly and has been included in this Circular in its proper form and context, they have not independently verified the accuracy of the relevant information and do not make any representation as to its accuracy or completeness.

The New Managers are wholly-owned subsidiaries of SCCPRE. The New Managers and SCCPRE are part of the SC Group, being the group of entities which are controlled and owned (directly and indirectly) by Mr. Suchad Chiaranussati (either singly and/or together with his partners). The SC Group also includes the following entities:

- (a) SC Capital Partners, a fund manager focused on real estate investments in the Asia-Pacific; and
- (b) the REIT managers of two (2) listed real estate investment trusts in Asia, namely JHR and Thailand Prime Property Freehold and Leasehold REIT ("**TPRIME REIT**").

SC Capital Partners is a capital markets services licence holder for the regulated activity of fund management issued by the MAS pursuant to the SFA. Established in 2004, SC Capital Partners is a privately-owned Asia-Pacific real estate firm headquartered in Singapore. SC Capital Partners manages the Real Estate Capital Asia Partners ("**RECAP**") series of closed-end

LETTER TO STAPLED SECURITYHOLDERS

opportunistic real estate funds as well as an open-end core / core-plus fund, SC Core Fund (“**SCORE+**”). SC Capital Partners has a 16-year track record across Asia-Pacific and has raised approximately US\$2.9 billion in equity commitments from a diverse pool of institutional investors across its five (5) RECAP funds and its SCORE+ fund.

SC Capital Partners’ opportunistic fund series, RECAP, focuses on value creation through refurbishing, repositioning and operating real estate assets where market inefficiencies and strong macroeconomic fundamentals yield attractive opportunities. RECAP is sector-agnostic and invests across Asia-Pacific. The investment mandate of the RECAP funds includes hospitality properties. Since 2004, SC Capital Partners has launched five (5) RECAP funds, two (2) of which have fully exited. The latest fund in the series, RECAP V, is currently in its investment period.

SCORE+ is an open-end investment vehicle investing primarily in core-plus real estate in six (6) gateway markets of Asia-Pacific, being Australia, Hong Kong, Japan, New Zealand, Singapore and South Korea. The fund seeks to offer investors stable and resilient income growth and long-term capital appreciation through active asset management and repositioning. The key themes of the fund are urbanisation and growth corridors, education and technology. SCORE+ was launched on 7 January 2016 and its initial fund raising round was closed on 28 June 2017. The fund became an open-end fund on 31 December 2019.

Further, the SC Group has considerable experience in REITs, having initiated the takeover and turnaround of JHR, a hotel REIT with a portfolio of hospitality assets in Japan. SC Group initiated the merger of Nippon Hotel Fund Investment Corporation (“**NHF**”) and Japan Hotel & Resort, Inc., two (2) separate Japanese hotel REITs listed on the Tokyo Stock Exchange, to form the combined REIT known as JHR, which was completed in April 2012. At the time the merger was announced in December 2011, NHF and Japan Hotel & Resort, Inc. collectively owned a portfolio of 28 hotels in Japan valued at approximately JPY132.6 billion³. Since then, JHR’s value has increased to its present size, with a portfolio of 42 hotels in Japan as at the Latest Practicable Date⁴, which is valued at approximately JPY494.7 billion (as at 30 June 2020)⁵.

The SC Group also initiated the listing of TPrime REIT on The Stock Exchange of Thailand. TPrime REIT is a commercial office REIT with a portfolio comprising two (2) prime office buildings in Bangkok valued at THB8.6 billion (as at 30 September 2020)⁶.

SC Capital Partners manages the RECAP funds, which invest in hospitality properties as part of their investment mandate. In addition, the manager of JHR is part of the SC Group. Through the foregoing, the SC Group has established working relationships with various players in the hospitality sector. The New REIT Manager believes that the SC Group’s network of relationships provides EHT with access to contacts in the hospitality sector, including hotel managers and brand franchisors, as well as with respect to acquisition and/or divestment opportunities. Accordingly, the New REIT Manager intends to leverage off the SC Group’s existing relationships to build up similar relationships for EHT and to assist in achieving EHT’s business objectives.

As at the Latest Practicable Date, taking into account the funds managed by SC Capital Partners and the assets of JHR and TPrime REIT, the SC Group has more than US\$7.3 billion in assets under management.

³ Based on the presentation titled “*Explanatory Memorandum for Merger*” released by both NHF and Japan Hotel & Resort, Inc. on 26 December 2011.

⁴ Based on information found on JHR’s corporate website at <https://www.jhrth.co.jp/>.

⁵ Based on JHR’s Midterm Financial Report for the Fiscal Year Ending December 31, 2020 (for January 1, 2020 to June 30, 2020), which is available on JHR’s corporate website at <https://www.jhrth.co.jp/>.

⁶ Based on the Review report and interim consolidated financial information for 30 September 2020, which is available on TPrime REIT’s corporate website at <http://www.tprimereit.com/>.

2.2 Proposed Appointment of the New REIT Manager of EH-REIT

Information in Paragraphs 2.2.2, 2.2.3, 2.2.4, 2.2.5, 2.2.6, 2.2.7 and 2.2.8 and Appendices B and C to this Circular (save for information in relation to EHT, EH-REIT and the EH-REIT Manager) has been provided by SCCPRE and the New REIT Manager to the Managers and the EH-REIT Trustee. While the Managers and the EH-REIT Trustee have taken reasonable action to ensure that the information reproduced in Paragraphs 2.2.2, 2.2.3, 2.2.4, 2.2.5, 2.2.6, 2.2.7 and 2.2.8 and Appendices B and C to this Circular (save for information in relation to EHT, EH-REIT and the EH-REIT Manager) is extracted accurately and fairly and has been included in this Circular in its proper form and context, they have not independently verified the accuracy of the relevant information and do not make any representation as to its accuracy or completeness.

Information in Paragraph 2.2.9 (in respect of the views of SCCPRE set out therein only) has been provided by SCCPRE to the Managers and the EH-REIT Trustee. While the Managers and the EH-REIT Trustee have taken reasonable action to ensure that the information reproduced in Paragraph 2.2.9 (in respect of the views of SCCPRE set out therein only) is extracted accurately and fairly and has been included in this Circular in its proper form and context, they have not independently verified the accuracy of the relevant information and do not make any representation as to its accuracy or completeness.

Information in Paragraph 2.2.9 (in respect of the views of the EH-REIT Trustee set out therein only) has been provided and confirmed by the EH-REIT Trustee to the Managers. While the Managers have taken reasonable action to ensure that the information reproduced in Paragraph 2.2.9 (in respect of the views of the EH-REIT Trustee set out therein only) is extracted accurately and fairly and has been included in this Circular in its proper form and context, they have not independently verified the accuracy of the relevant information and do not make any representation as to its accuracy or completeness.

2.2.1 Removal of the EH-REIT Manager by the EH-REIT Trustee and Proposed Appointment of the New REIT Manager of EH-REIT

The MAS had issued to the EH-REIT Manager and the EH-REIT Trustee the Notice of Intention (EH-REIT Manager) and Notice of Intention (EH-REIT Trustee), respectively, in relation to the MAS' intention to direct the EH-REIT Trustee to remove the EH-REIT Manager as the manager of EH-REIT and to appoint a new manager of EH-REIT pursuant to Section 286(14) of the SFA. Subsequently, the MAS issued the EH-REIT Manager Removal Direction on 30 November 2020 to the EH-REIT Trustee directing the EH-REIT Trustee to remove the EH-REIT Manager within one (1) month from 30 November 2020 (or any longer period as the MAS may approve in writing) and appoint a new manager for EH-REIT as soon as possible thereafter pursuant to Section 286(14) of the SFA.

Accordingly, the EH-REIT Trustee intends to remove the EH-REIT Manager with effect from the conclusion of the EGM on 30 December 2020.

Pursuant to Clause 24.3 of the EH-REIT Trust Deed, upon the removal of the EH-REIT Manager by the EH-REIT Trustee, the EH-REIT Trustee shall appoint a new manager of EH-REIT as soon as possible whose appointment shall be subject to compliance with relevant laws, regulations and guidelines and the approval of Stapled Securityholders by Ordinary Resolution.

2.2.2 Change of Name of EH-REIT

Subject to the approval of the Stapled Securityholders at the EGM in respect of Resolution 1, Resolution 2, Resolution 3 and Resolution 4, the New REIT Manager, will enter into the First Supplemental Deed of Appointment to the EH-REIT Deed with the EH-REIT Trustee to be appointed as the new manager of EH-REIT.

In connection with the appointment of SCCPRE HRM as the manager of EH-REIT, the name of EH-REIT will also be changed from "Eagle Hospitality Real Estate Investment Trust" to "SCCP Hospitality Real Estate Investment Trust".

LETTER TO STAPLED SECURITYHOLDERS

2.2.3 Information on the New REIT Manager

SCCPRE HRM was incorporated under the Companies Act in Singapore on 5 August 2020. As at the Latest Practicable Date, the New REIT Manager has an issued and paid-up capital of S\$1,250,000 and its registered office is located at 2 Nassim Road, Singapore 258370.

The MAS has granted its in-principle approval to the New REIT Manager's application for a capital markets services licence for REIT management pursuant to the SFA. The New REIT Manager is working towards fulfilling the conditions set out in the in-principle approval and being issued the capital markets services licence for REIT management from the MAS.

The New REIT Manager also intends to incorporate a wholly-owned subsidiary in the United States (the "**New RM US Sub**"), so that to the extent activities of the New REIT Manager would be required to be performed within the United States, those activities will be delegated to the New RM US Sub. The scope of activities which the New RM US Sub will be undertaking will cover, among others, the specific investment and asset management oversight services of the New REIT Manager which takes place in the United States, such as meeting and negotiating with potential vendors, inspecting properties and performing oversight over service providers in the United States.

Such services in the United States will be provided by the New RM US Sub pursuant to a services agreement between the New REIT Manager, the New RM US Sub and the relevant subsidiary(ies) of EH-REIT (the "**New US Services Agreement**"). Under the New US Services Agreement, a portion of the Management Fee payable to the New REIT Manager may, at the New REIT Manager's discretion, be allocated to be paid by the relevant subsidiary(ies) of EH-REIT to the New RM US Sub. Any fees payable to the New RM US Sub by EH-REIT's subsidiaries thereunder shall be deducted from the Management Fees payable by the EH-REIT Trustee to the New REIT Manager by an equivalent amount so that there is no double counting.

2.2.4 Directors of New REIT Manager

The composition of the board of directors for the New REIT Manager appropriately comprises directors who as a group are able to provide an appropriate balance and diversity of skills, experience, business and industry knowledge to the benefit of EHT. The board of directors of the New REIT Manager is as follows:

Name of Directors	Designation
Mr. Alan Koh Thiam Hock	Independent Non-Executive Chairman
Mr. Suchad Chiaranussati	Non-Independent Non-Executive Director
Mr. Loh Hwee Long	Chief Executive Officer and Executive Director
Ms. Wenning Jung	Independent Non-Executive Director
Ms. Choo Wai Hong	Independent Non-Executive Director

Please refer to paragraph 1 of Appendix B to this Circular for further information on the experience of the directors of the New REIT Manager and Appendix C to this Circular for the present and past directorships for the five (5) years prior to the Latest Practicable Date held by the directors of the New REIT Manager.

Pursuant to Rule 210(5)(a) of the Listing Manual, the directors of the New Managers who have no prior experience as a director of an issuer listed on the SGX-ST (being Mr. Suchad Chiaranussati, Mr. Loh Hwee Long, Ms. Wenning Jung and Ms. Choo Wai Hong) will undergo mandatory training with the Singapore Institute of Directors on the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. In this regard, such directors will attend such mandatory training within the period permitted under the Listing Manual.

LETTER TO STAPLED SECURITYHOLDERS

Rule 210(5)(c) of the Listing Manual, in relation to the New Boards comprising at least two (2) non-executive directors who are independent and free of any material business or financial connection with the issuer, is complied with.

Pursuant to Rule 210(5)(e) of the Listing Manual, the New Boards will establish an Audit and Risk Committee as well as a Nominating and Remuneration Committee. Please refer to paragraphs 3.2.1 and 3.2.2 of Appendix B to this Circular for further information on the Nominating and Remuneration Committees and Audit and Risk Committees of the New Managers respectively.

2.2.5 Management of New REIT Manager

The management team of the New REIT Manager is led by Mr. Loh Hwee Long as the Chief Executive Officer. Mr. Johnnie Tng Chin Hwee will be the Chief Financial Officer, Mr. Michael C. Liu will be the Chief Operating Officer / Head of Asset Management and Ms. Emma Tan Bee San will be the Senior Finance Manager.

Information on the key management team of the New REIT Manager is as follows:

Name of Key Management Team	Designation
Mr. Loh Hwee Long	Chief Executive Officer
Mr. Johnnie Tng Chin Hwee	Chief Financial Officer
Mr. Michael C. Liu	Chief Operating Officer / Head of Asset Management
Ms. Emma Tan Bee San	Senior Finance Manager

Please refer to paragraph 2 of Appendix B to this Circular for further information on the experience of the key management team of the New REIT Manager.

For the avoidance of doubt, the management team of the New Managers will comply with Rule 404(6) of the Listing Manual.

2.2.6 Corporate Governance of the New REIT Manager

Details of the corporate governance arrangements to be put in place by the New REIT Manager are set out in paragraph 3 of Appendix B to this Circular.

2.2.7 Objectives and Strategy of both the New Managers

The New Managers contemplate a two (2) step-process to resolve the issues impacting EHT (as summarised by the Managers in Paragraph 1.1 above) – (1) Stabilisation, and (2) Growth.

(1) *Stabilisation*

Upon the appointment of SCCPRE HRM as the new manager of EH-REIT and the appointment of SCCPRE HTM as the new trustee-manager of EH-BT being effected, the New REIT Manager's priorities in the near-term will be to:

- (i) work closely together with the EH-REIT Trustee and the relevant professional advisers to complete the process of the Master Lessors regaining legal possession and control of the Properties; and
- (ii) secure capital investment for EHT, whether by way of the Proposed Bridge Facility or through other debt and/or other debt-like instruments, which is intended to be applied towards, among others:

LETTER TO STAPLED SECURITYHOLDERS

- (A) funding the costs expected to be incurred to re-open the Properties;
- (B) pay for operating and mandatory capital expenses required by the hotel managers and brand franchisors; and
- (C) general working capital purposes.

Given the circumstances affecting EHT, the New Managers are of the view that a capital investment by way of debt is preferable as compared to an equity fund raising. This is due to, among others, the trading suspension of the Stapled Securities as well as the depressed price of the Stapled Securities, which could result in an equity fund raising being extremely dilutive to Stapled Securityholders.

As the existing Master Lease Agreements have been terminated by the Master Lessors (as announced by the Managers on 16 September 2020, 23 September 2020 and 13 November 2020), as part of its plans to stabilise EHT and the Properties, the New Managers intend to activate EH-BT to be (through wholly-owned subsidiaries (the "OpCos")) the master lessees of the Properties. The OpCos will eventually hold, to the extent possible and/or required, the operating contracts (including the relevant Hotel Management Agreements and Franchise Agreements), the operations and other permits and licenses for the Properties which were previously held by the Master Lessees. The OpCos will enter into master lease agreements with the Master Lessors, and these master leases will be internal within the EHT stapled structure. The foregoing events described in this Paragraph are collectively the "**MLA Internalisation**".

The New Managers and the EH-REIT Trustee have had preliminary discussions with tax advisers and will continue to engage the tax advisers to obtain comprehensive tax and transfer pricing advice and determine the optimum structure for EHT to be put in place through the MLA Internalisation.

Accordingly, EH-BT will be an active business trust. In the medium to long term, assuming that suitable third party master lessees who are willing to enter into master lease arrangements with the Master Lessors are found, the New Managers may consider putting in place such third party master lease arrangements in respect of one or more of the Properties.

After the Master Lessors have regained legal possession and control of the Properties and activated EH-BT, the New Managers aim to eventually re-open and commence operations at those Properties which are currently closed, and work to stabilise the operations and performance of the Properties. The New Managers will work together with the relevant third party hotel managers (who will manage the day-to-day operations of the Hotels) and franchisors to re-open the closed Properties at the appropriate time, taking into account, among others, the prevailing market and economic conditions.

Given that one of the expected conditions of the Proposed Bridge Facility is for EHT to divest certain Properties, the New Managers intend to work towards completing the divestment of the select Properties by the deadline specified by the lenders of the Proposed Bridge Facility. The proceeds from such divestments are intended to be applied towards payment of approved REIT expenses or reducing EHT's outstanding liabilities, in accordance with the conditions of the Proposed Bridge Facility.

When sufficient progress has been made towards stabilising EHT's operations, including after the Properties have been re-opened and EHT is operating on a going concern basis and subject to any requirements of the SGX-ST, the New Managers intend to engage with the SGX-ST, with a view to eventually lifting the trading suspension of the Stapled Securities. This would enable Stapled Securityholders to re-commence trading in their Stapled Securities.

LETTER TO STAPLED SECURITYHOLDERS

In the medium term, the New Managers may also consider undertaking one or more fundraising exercises, taking into account the conditions of the lenders under the Proposed Bridge Facility to undertake one or more equity capital raising(s) within the specified timelines to raise a minimum amount of proceeds. The fundraising(s) may comprise a combination of debt, equity and/or hybrid equity instruments, and will be with the aim of recapitalising EHT's balance sheet and applying the proceeds to reduce EHT's aggregate leverage or towards EHT's working capital needs. The New Managers will make a decision on any such fund raising at an appropriate time (including with respect to structure and timing), in consultation with the appropriate professional advisers where necessary and taking into account market conditions and other factors the New Managers may consider relevant. Such fundraising(s) will be announced on the SGXNET in accordance with the requirements of the Listing Manual.

The New Managers will endeavour to reduce EHT's aggregate leverage through a combination of portfolio rebalancing (which includes divestment of select Properties as described above as well as new accretive acquisitions, where appropriate), uplifting valuation through rigorous asset management initiatives and (subject to market conditions and other factors which the New Managers may consider relevant) recapitalising EHT's balance sheet through new equity issuances as described above. To the extent market conditions and circumstances permit, the New Managers would seek to work towards reducing EH-REIT's aggregate leverage to the permitted limit under the Property Funds Appendix.

(2) *Growth*

In the medium to long term after the circumstances affecting EHT as well as outstanding issues have been resolved to the satisfaction of the New Managers and the operations and performance of the Properties have stabilised, the New Managers' objective will be to deliver regular and stable distributions to the Stapled Securityholders and to achieve long-term growth in distribution per Stapled Security and in the NAV per Stapled Security, while maintaining an appropriate capital structure.

The New Managers plan to achieve their objectives through the following key strategies:

- ***Proactive asset management and asset enhancement strategy*** – The New Managers will work with the hotel managers of the Properties to implement proactive measures to enhance the Properties and to improve their operational performance, so as to optimise the cash flow and value of the Properties. Through such active management, the New Managers seek to improve overall occupancy rates and RevPAR, as well as to create a better lodging experience for the guests of the Properties.
- ***Investments and acquisition growth strategy*** – The New Managers will source suitable asset acquisition opportunities, which will provide attractive cash flows and yields, satisfying the investment mandate of EHT to enhance the returns to Stapled Securityholders and to capture opportunities for future income and capital growth.

The New Managers will also review the composition of EHT's portfolio from time to time with a view to optimising returns. As part of such review, the New Managers may aim to rebalance and unlock the underlying value of EHT's portfolio through selective divestment(s) of Properties which may no longer fit within the New Managers' strategy for EHT or have reached a stage which offers limited scope for further growth. Through such divestment(s), the New Managers would be able to unlock capital which could be deployed to, among others, fund accretive acquisitions.

- ***Capital management strategy*** – The New Managers will endeavour to employ an appropriate combination of debt and equity to fund acquisitions and asset

LETTER TO STAPLED SECURITYHOLDERS

enhancements, and adopt a prudent approach to capital management to optimise risk-adjusted returns to Stapled Securityholders, including when circumstances and market conditions permit, refinancing EHT's borrowings at the appropriate time to achieve a lower cost of capital.

2.2.8 Entry into the new Stapling Deed by the New REIT Manager

Immediately after the entry into the First Supplemental Deed of Appointment to the EH-REIT Trust Deed, the New REIT Manager, New Trustee-Manager and EH-REIT Trustee will enter into a new Stapling Deed so that the EH-REIT Units and EH-BT Units will continue to be stapled to form the Stapled Securities. The new Stapling Deed will be on substantially the same terms as the existing Stapling Deed entered into by the EH-REIT Manager, EH-BT Trustee-Manager and EH-REIT Trustee, save for certain amendments for consistency with the EH-REIT Trust Deed (including as supplemented pursuant to the Second Supplemental Deed to the EH-REIT Trust Deed) and EH-BT Trust Deed and/or for clarification purposes, which includes the following amendments:

- (a) the definition of "Stockbroker" in the new Stapling Deed will be amended with the following insertions (underlined), so as to track the definitions of the same term as used in both the EH-REIT Trust Deed and EH-BT Trust Deed:

"Stockbroker" means (i) a member of the SGX-ST or any other Recognised Stock Exchange, (ii) an entity which holds a financial adviser's licence issued pursuant to the Financial Advisers Act, Chapter 110 of Singapore, (iii) an entity which is an exempt financial adviser under the Financial Advisers Act, Chapter 110 of Singapore and/or (iv) a holder of a capital markets services licence for the regulated activity of advising on corporate finance issued pursuant to the Securities and Futures Act;"

- (b) that Clause 3.1.1(viii) of the Stapling Deed be amended with the following insertions (underlined) and deletions (strikethrough) for clarity:

"(for so long as the Stapled Securities are stapled and as the REIT Manager shall not issue a EH-REIT Unit unless a EH-BT Unit is issued, or as the case may be, the Trustee-Manager shall not issue a EH-BT Unit unless a EH-REIT Unit is issued) the REIT Manager in consideration of the Trustee-Manager agreeing to issue ~~issuing~~ EH-BT Units to the REIT Manager as payment of the fees of the REIT Manager (where the REIT Manager is receiving its fees in Stapled Securities), agrees to ~~shall~~ issue EH-REIT Units to the Trustee-Manager as payment of the fees of the Trustee-Manager (where the Trustee-Manager is receiving its fees in Stapled Securities)."

- (c) that Clause 4.4 be amended with the following insertions (underlined), so as to be consistent with the corresponding Clause 5.4 of the EH-REIT Trust Deed and EH-BT Trust Deed:

"Where the Stapled Securities and/or Eagle Hospitality Trust becomes Unlisted after the Listing Date, the REIT Manager and Trustee-Manager may issue Stapled Securities at an Issue Price equal to the Current Stapled Security Value on the date of the issue of the Stapled Securities plus, if so determined by the REIT Manager and Trustee-Manager, an amount equal to the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent. The Preliminary Charge shall be retained by the REIT Manager and Trustee-Manager for their own benefit and the amount of the adjustment shall be retained as part of the Deposited Property of EH-REIT and/or EH-BT as agreed between the REIT Manager and Trustee-Manager."

- (d) that the stapled group comprising EH-REIT and EH-BT will be named as "SCCP Hospitality Trust";

- (e) that the name "Eagle Hospitality Real Estate Investment Trust" will be changed to "SCCP Hospitality Real Estate Investment Trust"; and

LETTER TO STAPLED SECURITYHOLDERS

- (f) that the name “Eagle Hospitality Business Trust” will be changed to “SCCP Hospitality Business Trust”.

2.2.9 Extension of Temporary Waiver from compliance with Paragraph 7.2 of the Property Funds Appendix

The MAS has granted EHT an extension of the temporary waiver from compliance with Paragraph 7.2 of the Property Funds Appendix⁷ to the earlier of (a) 30 June 2021 or (b) the date on which the MLA Internalisation has been completed and/or master lease agreements with third party master lessees are entered into in respect of the Properties, such that the Master Lessors will be able to receive revenue directly from the operation and management of the Hotels which are open (and any other Hotels that may re-open in the near future) in the interim (such waiver being the “**Temporary Waiver**”). The Temporary Waiver is subject to the following conditions:

- (a) SCCPRE and the EH-REIT Trustee provide their views in writing to the MAS that the management and operation of the properties by EH-REIT during the period of the Temporary Waiver is in the best interests of the Stapled Securityholders and is necessary and integral to facilitate the restructuring of EHT including the MLA Internalisation;
- (b) SCCPRE and the EH-REIT Trustee state their respective views as referenced in Paragraph 2.2.9(a) above either in an SGXNET announcement or this Circular; and
- (c) SCCPRE and the EH-REIT Trustee informing the MAS in writing if they cease to hold the views as referenced in Paragraph 2.2.9(a) above, and to announce this immediately in an SGXNET announcement.

On balance, the EH-REIT Trustee is of the view that the management and operation of the properties by EH-REIT during the period of the Temporary Waiver is in the best interests of the Stapled Securityholders and is necessary and integral to facilitate the restructuring of EHT including the MLA Internalisation for the following reasons:

- (i) As set out in Paragraph 2.2.7 above, the MLA Internalisation involves the activation of EH-BT, the establishment of the OpCos as wholly-owned subsidiaries of EH-BT which will hold to the extent possible or required, the operating contracts (including the Hotel Management Agreements and Franchise Agreements) and the operations and other permits and licences for the Properties and enter into master lease agreements as master lessees with the Master Lessors, all of which would take a period of time to complete. In addition to the fact that time is required in order to complete the MLA Internalisation, the Master Lessors may apply for and hold certain critical permits and licenses upon obtaining legal control and possession of the relevant Properties. As a result, it is important that the Master Lessors are able to continue to manage and operate the Properties in the interim while legal control and possession of the Properties is obtained on a rolling basis.
- (ii) In order to preserve and maintain the underlying value of the Properties pending completion of the MLA Internalisation, it is crucial for hotel managers (or, where applicable, caretaker hotel managers) to continue to be engaged for each of the Properties to manage and operate the Properties. The failure to do so could result in the Properties being at risk of damage and/or deterioration, which would result in a loss of value for Stapled Securityholders.
- (iii) Consistent with the New Managers’ intention to re-open the closed Properties to the public, it is hoped that through the management and operation of the Properties by the

⁷ Pursuant to Paragraph 7.2 of the Property Funds Appendix, EH-REIT should not derive more than 10% of its revenue from sources other than (a) rental payments from the tenants of the real estate held by EH-REIT, or (b) interest, dividends, and other similar payments from special purpose vehicles and other permissible investments of EH-REIT.

LETTER TO STAPLED SECURITYHOLDERS

Master Lessors pending completion of the MLA Internalisation, the Master Lessors would receive operating income from the operation of the Properties (to the extent revenue exceeds operating expenses) in the interim. Ideally, the operating income generated by EHT through the operation of the Properties (if any) in the interim would increase EHT's financial resources as a whole, reduce the rate of depletion of EH-REIT's financial resources and/or reduce the extent of borrowings required by EHT.

- (iv) As set out in Paragraph 1.4 above, the Proposed Bridge Facility (which is required in order for EH-REIT to fund the costs expected to be incurred to reopen the Hotels, pay for operating expenses of 15 Hotels and mandatory capital expenses required under the Franchise Agreements and for general working capital purposes) is conditional upon, amongst other things, the MAS granting EHT an extension of its Temporary Waiver from compliance with Paragraph 7.2 of the Property Funds Appendix.

Further to discussions which SCCPRE has had with the EH-REIT Trustee and the professional advisers of EH-REIT, SCCPRE agrees with the views of the EH-REIT Trustee set out above, and is also of the view that the management and operation of the properties by EH-REIT during the period of the Temporary Waiver is in the best interests of the Stapled Securityholders and is necessary and integral to facilitate the restructuring of EHT including the MLA Internalisation. SCCPRE's conclusion is based on the same reasons as the EH-REIT Trustee, as set out in Paragraphs 2.2.9(i) to (iv) above.

2.2.10 Approvals obtained or to be obtained in connection with the Removal of the EH-REIT Manager by the EH-REIT Trustee and the Proposed Appointment of the New REIT Manager of EH-REIT

In connection with the removal of the EH-REIT Manager by the EH-REIT Trustee and the Proposed Appointment of the New REIT Manager of EH-REIT, the MAS has granted EHT an extension of time of the Temporary Waiver from compliance with Paragraph 7.2 of the Property Funds Appendix⁸ for a period ending (a) 30 June 2021 or (b) the date EHT completes the MLA Internalisation and/or enters into master lease agreements with third party master lessees for the Properties, whichever is earlier, such that the Master Lessors will be able to receive revenue directly from the operation and management of the Hotels which are open (and any other Hotels that may re-open in the near future) in the interim without breaching Paragraph 7.2 of the Property Funds Appendix. As SCCPRE and the EH-REIT Trustee have provided their views (as summarised in Paragraph 2.2.9 above) in writing to the MAS that the management and operation of the properties by EH-REIT during the period of the Temporary Waiver is in the best interests of the Stapled Securityholders and is necessary and integral to facilitate the restructuring of EHT including the MLA Internalisation and neither SCCPRE nor the EH-REIT Trustee has ceased to hold such views, the conditions to the Temporary Waiver have been fulfilled and the Temporary Waiver is effective.

In addition, in connection with the removal of the EH-REIT Manager by the EH-REIT Trustee and the Proposed Appointment of the New REIT Manager of EH-REIT, the following approvals from the relevant stakeholders are in the process of being obtained in respect of the change of the manager of EH-REIT:

- (a) the MAS granting EH-REIT a waiver from compliance with Paragraph 9.2 of the Property Funds Appendix⁹, as it is expected that EH-REIT will otherwise be in breach

⁸ Pursuant to Paragraph 7.2 of the Property Funds Appendix, EH-REIT should not derive more than 10% of its revenue from sources other than (a) rental payments from the tenants of the real estate held by EH-REIT, or (b) interest, dividends, and other similar payments from special purpose vehicles and other permissible investments of EH-REIT.

⁹ Pursuant to Paragraph 9.2(a) of the Property Funds Appendix, the total borrowings and deferred payments (collectively, the "aggregate leverage") of a property fund (a) should not, before 1 January 2022, exceed 50% of the fund's deposited property and (b) should not, on or after 1 January 2022, exceed 45% of the fund's deposited property unless the fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from new borrowings, in which situation, the aggregate leverage of the fund may exceed 45% of the fund's deposited property (up to a maximum of 50%). As of 30 September 2020, the aggregate leverage of EHT is at 65.5%. Aggregate leverage is calculated based on the valuation done on the Properties done as at 31 August 2020 and includes the termination cost of the BotW Swap Agreement of approximately US\$18.3 million (excluding accrued interest) as part of the

LETTER TO STAPLED SECURITYHOLDERS

of the aggregate leverage requirements set out in Paragraph 9.2 of the Property Funds Appendix whilst the EH-REIT Trustee and the New Managers implement the proposed recapitalisation plans for EHT;

- (b) the City of Long Beach providing its consent in respect of the removal of the EH-REIT Manager by the EH-REIT Trustee and the Proposed Appointment of the New REIT Manager of EH-REIT as well as the Proposed Appointment of the New Trustee-Manager of EH-BT, as required pursuant to the terms of the Queen Mary Ground Lease;
- (c) the BoA Facilities Agreement Lenders providing their consent in respect of the removal of the EH-REIT Manager by the EH-REIT Trustee and the Proposed Appointment of the New REIT Manager of EH-REIT as well as the Proposed Appointment of the New Trustee-Manager of EH-BT, as required pursuant to the terms of the BoA Facilities Agreement; and
- (d) each of the lenders of the Mortgage Loans providing its consent in respect of the removal of the EH-REIT Manager by the EH-REIT Trustee and the Proposed Appointment of the New REIT Manager of EH-REIT as well as the Proposed Appointment of the New Trustee-Manager of EH-BT, as required pursuant to the terms of the respective Mortgage Loans.

With respect to the approvals referred to under Paragraphs 2.2.10(a) to 2.2.10(d) above, it is envisaged that each of the approvals is expected to be obtained by the date of the EGM. For the avoidance of doubt, in the event that the approvals referred to under Paragraphs 2.2.10(a) to 2.2.10(d) above are not obtained by the time of the EGM, the EGM will nonetheless proceed. Assuming that Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are passed at the EGM, the New Managers and the EH-REIT Trustee will continue to work to obtain the requisite approvals as a matter of priority.

If and when the respective approvals are obtained from the relevant stakeholders, the Managers (or, as the case may be, the New Managers) and/or the EH-REIT Trustee will make an announcement in relation to the obtaining of such approval(s).

2.3 Proposed Base Fee Supplement to the EH-REIT Trust Deed to Reflect the Proposed Base Fee Structure of the New REIT Manager as an Interested Person Transaction

Information in Paragraphs 2.3.1, 2.3.3 and 2.3.5 has been provided by SCCPRE, the New REIT Manager and the EH-REIT Trustee to the Managers. Paragraph 2.3.4 is based on the IFA Letter. While the Managers have taken reasonable action to ensure that the information reproduced in Paragraphs 2.3.1, 2.3.3 and 2.3.5 and the IFA Letter is extracted accurately and fairly and has been included in this Circular in its proper form and context, they have not independently verified the accuracy of the relevant information and do not make any representation as to its accuracy or completeness.

Information in Paragraph 2.3.2 has been provided by SCCPRE and the New REIT Manager to the Managers and the EH-REIT Trustee. While the Managers and the EH-REIT Trustee have taken reasonable action to ensure that the information reproduced in Paragraph 2.3.2 is extracted accurately and fairly and has been included in this Circular in its proper form and context, they have not independently verified the accuracy of the relevant and do not make any representation as to its accuracy or completeness.

For the avoidance of doubt, the Managers were not involved in the negotiations and discussions relating to the Proposed Base Fee Supplement (EH-REIT) nor the appointment of the IFA to advise on the Proposed Base Fee Supplement (EH-REIT) as an Interested Person Transaction in respect of the New REIT Manager.

borrowings of EH-REIT. In the event that such termination cost is not included, the aggregate leverage of EH-REIT as at 30 September 2020 would be approximately 63.1%.

LETTER TO STAPLED SECURITYHOLDERS

2.3.1 Proposed Base Fee Supplement (EH-REIT)

The Current Base Fee payable to the manager of EH-REIT (the “**REIT Base Fee**”) is currently computed as 10.0% per annum of the Annual Distributable Income (as defined in the EH-REIT Trust Deed and calculated before accounting for the REIT Base Fee and the Performance Fee (as defined in the EH-REIT Trust Deed)).

As part of the Proposed Change of Managers and Related Matters, it is further proposed that the EH-REIT Trust Deed be amended, modified and supplemented by the Proposed Base Fee Supplement (EH-REIT) to, with effect from the Effective Date, amend the Current Base Fee to incorporate the Minimum Fee, so that on and from the Effective Date and up to (and including) 31 December 2023, the REIT Base Fee payable to the New REIT Manager will be the higher of:

- (a) the Minimum Fee; and
- (b) 10.0% per annum (or such lower percentage as may be determined by the New REIT Manager in its absolute discretion) of the Annual Distributable Income.

The “**Minimum Fee**” means the minimum REIT Base Fee which the New REIT Manager shall be entitled to receive from the Effective Date, in respect of FY2021, FY2022 and FY2023, being the sum of US\$4.5 million per annum (and for FY2021, such sum shall be pro-rated by dividing US\$4.5 million by the number of days between (and including) the Effective Date and the end of FY2021), which sum shall be reduced by an amount equal to any BT Base Fee payable to the New Trustee-Manager under the EH-BT Trust Deed in respect of the relevant period. The formula of the Minimum Fee ensures that there is no double-counting across EH-REIT and EH-BT. Accordingly, the aggregate minimum base fees payable to the New Managers will not exceed a sum of US\$4.5 million per annum.

For the avoidance of doubt, on and from 1 January 2024, the REIT Base Fee will revert to the formula of the Current Base Fee, being 10.0% per annum (or such lower percentage as may be determined by the New REIT Manager in its absolute discretion) of the Annual Distributable Income.

Pursuant to Clause 28.2 of the EH-REIT Trust Deed and Chapter 3.2(f) of the CIS Code, the Proposed Base Fee Supplement (EH-REIT) to the EH-REIT Trust Deed to incorporate the Minimum Fee structure in the REIT Base Fee is subject to the approval of the Stapled Securityholders by way of an Extraordinary Resolution.

In addition, as the New REIT Manager will be appointed as the manager of EH-REIT as contemplated pursuant to Resolution 1 (Proposed Appointment of SCCPRE HRM as the New REIT Manager of EH-REIT), it will be considered an “interested person” of EH-REIT for the purposes of Chapter 9 of the Listing Manual and an “interested party” of EH-REIT for the purposes of the Property Funds Appendix which requires the approval of Stapled Securityholders under Chapter 9 of the Listing Manual and Paragraph 5.2 of the Property Funds Appendix respectively.

Accordingly, the EH-REIT Manager is seeking the approval of the Stapled Securityholders for Resolution 2 (Proposed Base Fee Supplement to the EH-REIT Trust Deed to Reflect the Proposed Base Fee Structure of the New REIT Manager as an Interested Person Transaction).

2.3.2 Rationale for the Proposed Base Fee Supplement to the EH-REIT Trust Deed to Reflect the Proposed Base Fee Structure of the New REIT Manager as an Interested Person Transaction

The New REIT Manager believes that the implementation of the Minimum Fee (which will apply until the end of FY2023) is reasonable given the following reasons:

LETTER TO STAPLED SECURITYHOLDERS

- (a) Annual Distributable Income is expected to remain extremely low (or nil) for the foreseeable future

Given the current circumstances impacting EH-REIT, as detailed in the announcements by the Managers on SGXNET and on EHT's website and summarised by the Managers and/or, as the case may be, the EH-REIT Trustee in Paragraphs 1.1 and 1.2 above, the Annual Distributable Income of EH-REIT is expected to remain extremely low (or nil) for the foreseeable future.

Given the extent of the circumstances affecting EH-REIT, the New Managers expect that they will require a period of time in the near to medium term to stabilise the operations and performance of the Properties and satisfactorily resolve the outstanding issues affecting EH-REIT, as well as to implement the MLA Internalisation, during which time the New Managers expect to expend considerable efforts and resources (see subparagraph (b) below for further details). Accordingly, the New Managers expect to incur substantial costs and expenses which would not be ordinarily incurred by other REIT managers in the Singapore market.

As the Current Base Fee is computed on a formula of 10.0% per annum of the Annual Distributable Income, this would effectively mean that the New REIT Manager would not be entitled to any fees for the foreseeable future during which the New Managers will be expending significant effort and resources towards EHT.

In addition to their efforts to stabilise the Properties and EHT, the New Managers will also be providing ongoing management services to EHT. These cover important functions such as investment management, asset management, capital management, accounting, legal, compliance and investor relations, rendered (in the case of the New REIT Manager) by a professional licensed REIT manager on a full time and dedicated basis.

The New Managers are operating companies which incur operational and administrative costs and expenses in the performance of their duties in managing EHT (and in this case, these costs and expenses are expected to be significantly increased due to the need to expend additional efforts to stabilise the Properties and EHT). Such costs and expenses include:

- the employee benefits and expenses of the management team (and in this respect, the New Managers note that they have hired a dedicated team of experienced professionals to work towards rehabilitating EHT and expect to continue strengthening the management team as appropriate);
- office related expenses, insurance, licensing and outsourcing fees;
- compliance and other administrative costs and expenses; and
- the costs and expenses of the New RM US Sub as the New REIT Manager would need to have on-the-ground asset management personnel in the United States to work with and oversee the hotel managers and the management of the Properties.

The quantum of the Minimum Fee was determined based on the New REIT Manager's estimate of its operating expenses for 2021 to manage the operations of EHT in Singapore and the United States as well as to maintain the listing status of EHT on the SGX-ST, on a cost recovery basis. The Minimum Fee would enable the New REIT Manager to defray its overheads and operational expenses for the foreseeable future during which the New Managers will be endeavouring to stabilise the Properties and EHT and satisfactorily resolve the outstanding issues.

On and from 1 January 2024, the REIT Base Fee will revert to the formula of the Current Base Fee of 10.0% of Annual Distributable Income.

LETTER TO STAPLED SECURITYHOLDERS

(b) Increase in work scope of the New Managers due to the need to stabilise the Properties and the MLA Internalisation

The Current Base Fee had been put in place when it was contemplated that EH-REIT would have the benefit of the Master Lease Agreements, which is based on a rental structure which includes a fixed rent component payable by the Master Lessees. With the activation of EH-BT to be an active business trust and the MLA Internalisation, the New Managers note that their work scope would increase as compared to the original work scope of the EH-REIT Manager and the EH-BT Trustee-Manager under the previous EHT structure where EHT remained a passive landlord and was not involved in hotel operations. In particular, EHT would now be assuming direct responsibility for, among others, the operating contracts (including the Hotel Management Agreements and Franchise Agreements), the operations and other permits and licenses for the Properties which were held by the Master Lessees and which are now intended to be held by the OpCos.

The increased work scope on the New Managers would include, among others:

- having to directly manage and oversee the performance of the hotel managers of the Properties as well as the relationship with the brand franchisors of the Properties;
- overseeing the payment of liabilities which were originally borne by the Master Lessees, such as certain insurance expenses and upkeep, maintenance, replacement and addition of certain plant, services infrastructure and FF&E;
- managing repairs and maintenance of the Properties, their infrastructure, plant and equipment and FF&E, which was previously a responsibility of the Master Lessees; and
- managing the obtaining and maintenance of various licenses and permits required for the operations of the Hotels, which were previously the responsibility of the Master Lessees.

Further, given the current situation affecting EH-REIT and the Properties, the New REIT Manager would be required to expend considerable efforts and resources in the near to medium term to stabilise the operations and performance of the Properties and EHT and satisfactorily resolve the outstanding issues affecting EH-REIT. This would include implementing a plan to re-open the Properties, negotiating and finalising new or amended Hotel Management Agreements and brand Franchise Agreements, negotiating and securing capital investment for EHT (which may comprise the Proposed Bridge Facility), restructure EHT's borrowings and other liabilities, and rebalance EHT's portfolio (which may include having to negotiate and implement the divestment(s) of select Properties). In the medium term, the New Managers would also have to work to reduce EHT's aggregate leverage to the permitted limit under the Property Funds Appendix. The New Managers note that the foregoing efforts would not be typically required of REIT managers in the ordinary course; and the New Managers expect to incur significant costs and expenses to resolve the outstanding issues affecting EH-REIT, which arise from events and circumstances pre-dating their appointment.

Accordingly, the New REIT Manager is of the view that the amount of the proposed Minimum Fee is commensurate with the substantial increase in the work scope of the New Managers as described above.

(c) Alignment of Interest with Stapled Securityholders

The New Managers will agree to be paid their Base Fees for FY2021 and FY2022 in the form of Stapled Securities. This would be in the interest of Stapled Securityholders as it would conserve cash flows generated by EH-REIT and EH-BT in the near term (if any) for operational uses. In addition, by taking their Base Fees in the form of Stapled

LETTER TO STAPLED SECURITYHOLDERS

Securities, this strengthens the alignment of interest of the New Managers with that of Stapled Securityholders. Further, this also incentivises the New Managers to use their best efforts to expeditiously stabilise EHT's operations and performance so that the New Managers can engage the SGX-ST to have the trading suspension lifted, with the aim of improving the trading performance of the Stapled Securities in the medium term. (See Paragraph 2.5 below for further information.)

Notwithstanding the above, Stapled Securityholders should note that in the event that an issue of Stapled Securities as payment of the Management Fee, Acquisition Fee and/or Divestment Fee under the Trust Deeds (whether for FY2021, FY2022 or any subsequent period) will cause the New Managers and/or their shareholders to have an interest in 15% or more of the Stapled Securities in issue, then the New Managers will either (i) take such fees in the form of cash, or (ii) subject such issue of Stapled Securities to the approval of Stapled Securityholders as required under Rule 803 of the Listing Manual (and if approval is not obtained, such fees will be paid in the form of cash).

2.3.3 Suspension Issue Price Clarification

As part of the Proposed Base Fee Supplement (EH-REIT), it is also proposed that the EH-REIT Trust Deed will be amended to clarify that the Issue Price of the Stapled Securities issued as payment for the New REIT Manager's REIT Base Fees while trading in the Stapled Securities remains suspended will be the NAV per Stapled Security as at the last day of the relevant quarter or period in respect of which the REIT Base Fee is being paid (the "**Suspension Issue Price Clarification**").

Accordingly, for purposes of the Suspension Issue Price Clarification, the following amendments will be made to Clause 15.1.4(v) of the EH-REIT Trust Deed.

"... .. If the Units or (as the case may be) the Stapled Securities and/or the Trust or (as the case may be) the Stapled Group is ~~u~~Unlisted, the Manager shall be entitled to receive such number of Units or Stapled Securities as may be purchased with the Base Fee and/or the Performance Fee (as the case may be) attributable to the relevant period at an Issue Price equal to the Current Unit Value or (as the case may be) the Current Stapled Security Value."

For the information of the Stapled Securityholders:

- (i) the term "**Unlisted**" is defined in the EH-REIT Trust Deed as:
- in relation to EH-REIT, means "*not being included on, or having been delisted from, the Official List of the SGX-ST or (as the case may be) any other Recognised Stock Exchange*"; and
 - in relation to the EH-REIT Units, means "*having been suspended for 60 consecutive calendar days or more from being listed, quoted or traded on the Official List of the SGX-ST or (as the case may be) any other Recognised Stock Exchange*".
- (i) the term "**Current Stapled Security Value**" is defined in the EH-REIT Trust Deed to mean "*at any time, the value of all the assets of the Stapled Group (including assets accrued but not yet received), less all the liabilities of the Stapled Group (including liabilities accrued but not yet paid) and any provision is taken into account in determining the liabilities of the Stapled Group at that time divided by the number of Stapled Securities in issue and deemed to be in issue at that time*".

Trading in the Stapled Securities has been suspended for more than 60 consecutive calendar days. Accordingly, the Suspension Issue Price Clarification will clarify that the definition of "*Unlisted*" under the EH-REIT Trust Deed will apply to EH-REIT and the Stapled Securities as long as trading remains suspended. Accordingly the Issue Price of the Stapled Securities

LETTER TO STAPLED SECURITYHOLDERS

issued as payment of the REIT Base Fees will be computed based on the Current Stapled Security Value (which is effectively the NAV per Stapled Security) as long as trading in the Stapled Securities remains suspended.

Under the EH-REIT Trust Deed, the REIT Base Fee accrues and is (if paid in the form of Stapled Securities) payable on a quarterly basis. In addition, EHT also publishes its financial statements (including the computation of its NAV) on a quarterly basis. Accordingly, the NAV figure used for the computation of the REIT Base Fee while trading remains suspended will be the NAV as at the last day of the relevant quarter or period in respect of which the REIT Base Fee is being paid.

The Suspension Issue Price Clarification is consistent with the position under other provisions in the EH-REIT Trust Deed relating to the issue price of Stapled Securities. As examples:

- Clause 5.4 of the EH-REIT Trust Deed states that “*Where the Units and/or the Trust become Unlisted after the Listing Date, the Manager may issue Units at an Issue Price equal to the Current Unit Value on the date of the issue of the Unit plus, if so determined by the Manager, an amount equal to the Preliminary Charge and an amount to adjust the resultant total upwards to the nearest whole cent”;* and (emphasis added)
- under Clause 20.1.3 of the EH-REIT Trust Deed, the manager of EH-REIT covenants to “*issue, redeem or repurchase Units based on the Net Asset Value of the Deposited Property or otherwise in accordance with the provisions of this Deed, the Code or any Relevant Laws, Regulations and Guidelines*”. (emphasis added)

From the above, the default position under the EH-REIT Trust Deed when there is no available market price from trading in the Stapled Securities is for EH-REIT Units to be issued based on the NAV. The Suspension Issue Price Clarification (which is part of the Proposed Base Fee Supplement (EH-REIT)) is for clarification purposes, to expressly reflect the aforementioned default position in Clause 15.1.4(v) of the EH-REIT Trust Deed which relates to the computation of the Issue Price of Stapled Securities issued as payment of Management Fees (comprising the Base Fee and the Performance Fee) under the EH-REIT Trust Deed.

For the avoidance of doubt, the proposed clarifications under the Suspension Issue Price Clarification do similarly apply to the issue price of the Stapled Securities issued as payment for the Performance Fees under the EH-REIT Trust Deed during the period in which the Stapled Securities are “*Unlisted*” (i.e. have been suspended for 60 consecutive days or more).

2.3.4 Advice of the IFA

The proposed entry into the Proposed Base Fee Supplement (EH-REIT) by the New REIT Manager, which will be an “interested person” of EH-REIT under the Listing Manual and an “interested party” of EH-REIT under the Property Funds Appendix, will be considered to be an “interested person transaction” under the Listing Manual and an “interested party transaction” under the Property Funds Appendix. The IFA’s advice in relation to the Proposed Base Fee Supplement (EH-REIT) as an Interested Person Transaction in respect of the New REIT Manager is set out in the IFA Letter, a copy of which is set out in Appendix A to this Circular and Stapled Securityholders are advised to read the IFA Letter carefully.

Having considered the principal terms of the Proposed Base Fee Supplement (EH-REIT) as an Interested Person Transaction in respect of the New REIT Manager, and subject to the assumptions and qualifications set out in the IFA Letter, the IFA is of the view that the Proposed Base Fee Supplement (EH-REIT) as an Interested Person Transaction (which includes the Suspension Issue Price Clarification) is on normal commercial terms and is not prejudicial to the interests of EHT and its minority Stapled Securityholders.

- 2.3.5 For the avoidance of doubt, Stapled Securityholders should note that by approving the Proposed Base Fee Supplement (EH-REIT), they are approving the REIT Base Fee from (and including) the Effective Date to 31 December 2023 to take into account the Minimum Fee structure. Accordingly, payments of the REIT Base Fee to the New REIT Manager in respect

LETTER TO STAPLED SECURITYHOLDERS

of each of FY2021 (for the period from (and including) the Effective Date to 31 December 2021), FY2022 and FY2023 will be computed as the higher of:

- (a) the Minimum Fee; and
- (b) 10.0% per annum (or such lower percentage as may be determined by the New REIT Manager in its absolute discretion) of the Annual Distributable Income.

2.4 Proposed Appointment of the New Trustee-Manager of EH-BT and Waiver of the BTR Notice Period Requirement

Information in Paragraphs 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8 and 2.4.9 (save for information in relation to EH-BT and the EH-BT Trustee-Manager) has been provided by SCCPRE and the New Trustee-Manager to the Managers. While the Managers have taken reasonable action to ensure that the information reproduced in Paragraphs 2.4.2, 2.4.3, 2.4.4, 2.4.5, 2.4.6, 2.4.7, 2.4.8 and 2.4.9 (save for information in relation to EH-BT and the EH-BT Trustee-Manager) is extracted accurately and fairly and has been included in this Circular in its proper form and context, they have not independently verified the accuracy of the relevant information and do not make any representation as to its accuracy or completeness.

2.4.1 Conditional Resignation of the EH-BT Trustee-Manager and Proposed Waiver of the BTR Notice Period Requirement

The incumbent EH-BT Trustee Manager has given EH-BT Unitholders notice of its proposed resignation as the trustee-manager of EH-BT pursuant to the Notice of Conditional Resignation dated 8 December 2020 (as set out in Appendix E to this Circular).

As stated in the Notice of Conditional Resignation, the EH-REIT Trustee had on 24 November 2020 requested the EH-BT Trustee-Manager to voluntarily resign as the trustee-manager of EH-BT and nominate SCCPRE HTM as the replacement trustee-manager of EH-BT, pursuant to, amongst others, the selection by the EH-REIT Trustee of SCCPRE (part of the SC Group) as the preferred candidate under the RFP Process with the most credible proposal to be put forth to Stapled Securityholders. In conjunction with the EH-BT Trustee-Manager's proposed resignation, the EH-BT Trustee-Manager has nominated SCCPRE HTM to serve as the replacement trustee-manager of EH-BT and accordingly, it is proposed that SCCPRE HTM be appointed as the new trustee-manager of EH-BT. In connection with the EH-BT Trustee-Manager issuing the Notice of Conditional Resignation, the EH-REIT Trustee had offered and given an indemnity to the directors of the EH-BT Trustee-Manager for liabilities arising solely out of any claims made by persons arising out of and/or in connection with the issuance of the Notice of Conditional Resignation and the transactions contemplated thereunder. The indemnity is subject to a cap and such cap does not exceed 3% of EHT's NTA as at 31 December 2019 and is below the Interested Person Transaction thresholds.

Under Regulation 14(3)(b) of the BTR, it is stipulated that upon the expiry of 21 days after the date of the Notice of Conditional Resignation, the incumbent EH-BT Trustee-Manager shall, *inter alia*, give to EH-BT Unitholders notice of general meeting of EH-BT Unitholders of any resolution (including the resolution in relation to the Proposed Appointment of the New Trustee-Manager of EH-BT) to be raised at that meeting not less than 14 days before the meeting. As the Notice of Conditional Resignation is being issued concurrently with the notice for the resolution for the Proposed Appointment of the New Trustee-Manager of EH-BT and not only after the expiry of 21 days after the date of the Notice of Conditional Resignation, an application had been made to the MAS to waive the 14-days' notice period requirement under Regulation 14(3)(b) of the BTR. Pursuant to the MAS Regulation 14(3)(b) BTR Ruling, the MAS has, in exercise of its powers under Section 112(2) of the BTA, exempted the EH-BT Trustee-Manager from compliance with the above requirement in relation to the 14-days' notice period as required under Regulation 14(3)(b) of the BTR. The exemption applies only if a resolution to dispense with the 14-days' notice period is approved by EH-BT Unitholders holding in the aggregate a majority of the voting rights of all EH-BT Unitholders who, being entitled to do so, vote in person or, where proxies are allowed, by proxy present at the EGM. Accordingly, in view of the Notice of Conditional Resignation and the Proposed Appointment of the New Trustee-Manager of EH-

LETTER TO STAPLED SECURITYHOLDERS

BT to be tabled at the EGM, it is also proposed that the 14-days' notice period required under Regulation 14(3)(b) of the BTR be dispensed with by the Stapled Securityholders by way of an Ordinary Resolution (as contemplated pursuant to Resolution 3, together with the Proposed Appointment of the New Trustee-Manager of EH-BT).

As further mentioned in the Notice of Conditional Resignation, the EH-BT Trustee-Manager's resignation is also conditional on the passing of all of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 (including Resolution 3 in relation to the Proposed Appointment of the New Trustee-Manager of EH-BT and Waiver of the BTR Notice Period Requirement) by Stapled Securityholders. Accordingly, the proposed resignation of the EH-BT Trustee-Manager will only be effective upon the passing of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 at the EGM. Should any of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 not be passed and/or carried, the EH-BT Trustee-Manager's resignation will not become effective and the EH-BT Trustee-Manager will remain as the trustee-manager of EH-BT.

Subject to the approval of the Stapled Securityholders at the EGM in respect of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 (including Resolution 3 in relation to the Proposed Appointment of the New Trustee-Manager of EH-BT and Waiver of the BTR Notice Period Requirement), the 14-days' notice period required under Regulation 14(3)(b) of the BTR will be waived, the New Trustee-Manager will be appointed as the new trustee-manager of EH-BT and the incumbent EH-BT Trustee-Manager's resignation will be effective thereupon.

2.4.2 Proposed Appointment of the New Trustee-Manager of EH-BT

Pursuant to Regulation 14(4) of the BTR, the New Trustee-Manager shall not be appointed without the approval of the EH-BT Unitholders holding in the aggregate not less than a majority of the voting rights of all the EH-BT Unitholders who, being entitled to do so, vote in person or, where proxies are allowed, by proxy present at the meeting.

Therefore, subject to the approval of the Stapled Securityholders at the EGM in respect of Resolution 1, Resolution 2, Resolution 3 and Resolution 4, SCCPRE HTM will be appointed as the New Trustee-Manager.

In connection with the appointment of SCCPRE HTM as the New Trustee-Manager, the New Trustee-Manager will change the name of EH-BT from "Eagle Hospitality Business Trust" to "SCCP Hospitality Business Trust".

2.4.3 Information on the New Trustee-Manager

SCCPRE HTM was incorporated under the Companies Act in Singapore on 5 August 2020. As at the Latest Practicable Date, the New Trustee-Manager has an issued and paid-up capital of S\$1.00 and its registered office is located at 2 Nassim Road, Singapore 258370.

SCCPRE HTM has, subject to the passing of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 at the EGM, consented in writing to serve as the replacement trustee-manager of EH-BT and satisfies the requirements of Section 6 of the BTA, as required pursuant to Regulation 14(1)(b) of the BTR.

2.4.4 Directors of the New Trustee-Manager

In order to avoid any differences or deadlock in the operations of EHT, the composition of the board of directors for the New Trustee-Manager is the same as the composition of the board of directors for the New REIT Manager, as set out in Paragraph 2.2.4 above.

Please refer to paragraph 1 of Appendix B to this Circular for further information on the experience of the directors of the New Trustee-Manager and Appendix C to this Circular for the present and past directorships for the five (5) years prior to the Latest Practicable Date held by the directors of the New Trustee-Manager.

LETTER TO STAPLED SECURITYHOLDERS

2.4.5 Management of the New Trustee-Manager

The composition of the management team of the New Trustee-Manager is the same as the composition of the management team of the New REIT Manager, as set out in Paragraph 2.2.5 above, save for Mr. Michael C. Liu who will not be part of the management team of the New Trustee-Manager.

Please refer to paragraph 2 of Appendix B to this Circular for further information on the experience of the key management team of the New Trustee-Manager.

2.4.6 Corporate Governance of the New Trustee-Manager

Details of the corporate governance arrangements to be put in place by the New Trustee-Manager are set out in paragraph 3 of Appendix B to this Circular.

2.4.7 Objectives and Strategy of the New Trustee-Manager

Please refer to Paragraph 2.2.7 above. As described therein, the New Managers intend to activate EH-BT to be (through the OpCos) the master lessees of the Properties and to hold the operating contracts, operations and permits and licenses which are held by the Master Lessees. Accordingly, the New Trustee-Manager will manage an active business trust.

2.4.8 Entry into the new Stapling Deed by the New Trustee-Manager

Please refer to Paragraph 2.2.8 above for information on the new Stapling Deed to be entered into by the New REIT Manager, New Trustee-Manager and EH-REIT Trustee.

2.4.9 Approvals to be obtained from the MAS in connection with the Proposed Appointment of the New Trustee-Manager of EH-BT

In connection with the proposed resignation of the EH-BT Trustee-Manager and the Proposed Appointment of the New Trustee-Manager of EH-BT, the New Trustee-Manager has applied to the MAS for:

- (a) an exemption from compliance with Section 10(2)(a) of the BTA to the extent that Section 10(2)(a) of the BTA requires the New Trustee-Manager to act in the best interests of the EH-BT Unitholders as a whole only, and an exemption for the board of directors of the New Trustee-Manager from compliance with Section 11(1)(a) of the BTA to the extent that Section 11(1)(a) of the BTA requires the directors of the New Trustee-Manager to take reasonable steps to ensure that the New Trustee-Manager acts in the best interests of the EH-BT Unitholders as a whole only;
- (b) an exemption from compliance with Regulation 12(1) of the BTR to the extent that the non-compliance with Regulation 12(1) of the BTR is due to any director of the New Trustee-Manager being considered to be not independent from management and business relationships with the New Trustee-Manager or from any substantial shareholder of the New Trustee-Manager solely by virtue of such director of the New Trustee-Manager also being a director of the New REIT Manager; and
- (c) an exemption for the Audit and Risk Committee of the New Trustee-Manager from compliance with Regulation 13(1)(b) of the BTR to the extent that the non-compliance with Regulation 13(1)(b) of the BTR is due to any member of the Audit and Risk Committee of the New Trustee-Manager being considered to be not independent from management and business relationships with the New Trustee-Manager or from any substantial shareholder of the New Trustee-Manager solely by virtue of such member of the Audit and Risk Committee of the New Trustee-Manager also being a director of the New REIT Manager.

LETTER TO STAPLED SECURITYHOLDERS

2.4.10 Approval to be obtained in connection with the Proposed Appointment of the New Trustee-Manager of EH-BT

Please refer to Paragraph 2.2.10 above for information on the approvals that are being sought from the City of Long Beach, the BoA Facilities Agreement Lenders and each of the lenders of the Mortgage Loans in respect of the Proposed Appointment of the New Trustee-Manager of EH-BT, as required pursuant to the terms of the Queen Mary Ground Lease, the BoA Facilities Agreement and each Mortgage Loan, respectively.

2.5 **Proposed Authority for the Issuance of up to 140,000,000 new Stapled Securities at the Issue Price per Stapled Security for Payment of the Base Fees payable to the New REIT Manager and the New Trustee-Manager for FY2021 and FY2022**

Information in this Paragraph 2.5 has been provided by SCCPRE, the New REIT Manager and the EH-REIT Trustee to the Managers. While the Managers have taken reasonable action to ensure that the information reproduced in this Paragraph 2.5 is extracted accurately and fairly and has been included in this Circular in its proper form and context, they have not independently verified the accuracy of the relevant information and do not make any representation as to its accuracy or completeness.

2.5.1 Payment of Base Fees in the form of Stapled Securities

The EH-REIT Trust Deed and the EH-BT Trust Deed allow for the New Managers to agree to receive their Base Fees in the form of Stapled Securities and/or cash, or a combination of both.

Due to the various defaults and the circumstances surrounding EH-REIT, as detailed in Paragraph 1.1 above, it would be in the interests of EH-REIT that cash flows generated by EH-REIT and EH-BT (if any) in the near term be deployed towards funding the costs expected to be incurred to reopen the Hotels, pay for operating expenses of the Hotels, mandatory capital expenses required under the Franchise Agreements and for general working capital purposes and debt repayment requirements of the lenders.

Accordingly, as stated in Paragraph 2.3.2(c) above, the New Managers will agree to be paid their Base Fees for FY2021 and FY2022 in the form of Stapled Securities. This is so as to preserve EH-REIT's cash position for operational and working capital uses. In addition, being paid their fees in the form of Stapled Securities strengthens the alignment of interest of the New Managers with that of Stapled Securityholders.

Accordingly, it is proposed that Stapled Securityholders grant authority to the New Managers to issue up to 140,000,000 new Stapled Securities to themselves (or their nominee) for payment of the Base Fees under both the EH-REIT Trust Deed and the EH-BT Trust Deed respectively payable to the New Managers for FY2021 and FY2022, at the Issue Price per Stapled Security (which shall be computed on the basis described in Paragraph 2.5.2 below, where the Issue Price would be based on the NAV of EHT per Stapled Security when trading remains suspended or based on the VWAP per Stapled Security when trading has resumed).

At the maximum level of issuance, the 140,000,000 new Stapled Securities represents approximately 16.0% of the existing number of issued Stapled Securities as at the Latest Practicable Date.

Stapled Securityholders should note that the up to 140,000,000 new Stapled Securities to be issued for payment of the Base Fees payable to the New Managers for FY2021 and FY2022 is an estimated cap computed based on certain assumptions and provides for a reasonable buffer. Depending on changes in the NAV of EHT while trading of Stapled Securities remains suspended and on movements in the trading price of the Stapled Securities after the suspension on trading is lifted, the number of Stapled Securities to be issued for payment of the Base Fees for FY2021 and FY2022 may be less than, or may exceed, 140,000,000. To the extent that the number of Stapled Securities to be issued exceeds 140,000,000, the New Managers will separately obtain the approval of Stapled Securityholders (whether by way of a

LETTER TO STAPLED SECURITYHOLDERS

general mandate or otherwise) for such issuance, or if approval is not obtained, such Base Fees will be paid in the form of cash.

The New Managers will also separately obtain the approval of Stapled Securityholders (whether by way of a general mandate or otherwise) if it intends to agree to be paid its Management Fees in the form of Stapled Securities for any subsequent period after FY2022.

For illustrative purposes only: the expectation of the New Managers as at the Latest Practicable Date is that in the near to medium term, the SC Group will have an aggregate Stapled Securityholding of between approximately 5.0% to 14.9% of the total number of Stapled Securities in issue (taking into account the Base Fee for FY2021 and FY2022 which the New Managers will agree to be paid in the form of Stapled Securities, and which is assumed to be equal to the Minimum Fee for both years).

The foregoing expected Stapled Securityholding range is subject to change, and dependent on several factors, including without limitation, the below:

- (i) the issue price of new Stapled Securities, including the Stapled Securities issued as payment of the New Managers' fees. In this regard, Stapled Securityholders should note that the issue price is dependent on movements in NAV per Stapled Security (while trading remains suspended) and on the market price of the Stapled Securities (when the trading suspension is lifted); and
- (ii) the form, structure and details (such as pricing) of any future equity fundraising(s) which may be undertaken by EHT (including the level of participation by the SC Group in such fundraisings), which remains undetermined as at the Latest Practicable Date. In this regard, it is noted that one of the conditions contemplated under the Proposed Bridge Facility is for EHT to undertake one or more equity capital raising(s) to raise the specified minimum proceeds within certain timelines.

Stapled Securityholders should note that the above Stapled Securityholding range is an estimate for illustrative purposes only. Given the trading suspension as well as the issues affecting EHT, the New Managers and the EH-REIT Trustee are not able to make meaningful assumptions as to the expected future movements in the market price of the Stapled Securities or the NAV of EHT for future financial periods. Neither the EH-REIT Trustee nor the New Managers makes any representation, warranty, commitment or guarantee as to the operations and performance of EHT, the market price of the Stapled Securities (including that the market price will not further decline from the market price of the Stapled Securities immediately prior to the trading suspension), movements in NAV, or the size of any equity fund raising that may be undertaken (or level of participation by the SC Group in such fundraising). In particular, Stapled Securityholders should note that to the extent the market price of the Stapled Securities declines after the trading suspension is lifted, the expected Stapled Securityholdings of the New Managers will increase accordingly.

2.5.2 Issue Price of the Stapled Securities for payment of Base Fees

The Issue Price per Stapled Security of the up to 140,000,000 new Stapled Securities to be issued for payment of the Base Fees payable to the New Managers for FY2021 and FY2022 shall be computed as follows:

- (a) *While trading in the Stapled Securities remains suspended*

Please refer to Paragraph 2.3.3 above for details of the Suspension Issue Price Clarification which clarifies that the Issue Price of the Stapled Securities issued as payment for the New REIT Manager's REIT Base Fees while trading in the Stapled Securities remains suspended will be based on the NAV per Stapled Security.

As the REIT Base Fee accrues and is (if paid in the form of Stapled Securities) payable on a quarterly basis, the NAV figure used for the computation of the REIT Base Fee

LETTER TO STAPLED SECURITYHOLDERS

will be the NAV as at the last day of the relevant quarter or period in respect of which the REIT Base Fee is being paid.

During the period in which trading in the Stapled Securities remains suspended, it is not expected for there to be any BT Base Fee payable under the EH-BT Trust Deed.

(b) *When trading in the Stapled Securities has resumed*

When trading in the Stapled Securities has resumed, the Issue Price will be computed pursuant to the requirements set out under Clause 15.1.4(v) of the EH-REIT Trust Deed or, as the case may be, Clause 14.1.4(v) of the EH-BT Trust Deed, relating to the computation of the issue price for Stapled Securities issued in payment of the Management Fees (comprising the Base Fee and Performance Fee).

The formula for computation of the Issue Price is summarised as follows:

- (i) the Issue Price will be the VWAP per Stapled Security for all trades done on the SGX-ST in the ordinary course of trading on the SGX-ST for the last 10 business days immediately preceding the end of the relevant financial period in which the Base Fee accrues; or
- (ii) if the New Managers believe that the foregoing calculation does not provide a fair reflection of the market price of the Stapled Securities, the Issue Price will be an amount as determined after consultation by the New Managers with a Stockbroker¹⁰ (and such Stockbroker is subject to the approval of the EH-REIT Trustee), and as approved by the EH-REIT Trustee, as being the fair market price.

2.6 Approvals required from Stapled Securityholders for the Proposed Change of Managers and Related Matters

- (a) **Resolution 1** (The Proposed Appointment of the New REIT Manager of EH-REIT) is required to be passed by an Ordinary Resolution pursuant to Clause 24.3 of the EH-REIT Trust Deed;
- (b) **Resolution 2** (The Proposed Base Fee Supplement to the EH-REIT Trust Deed to Reflect the Proposed Base Fee Structure of the New REIT Manager as an Interested Person Transaction) is required to be passed by an Extraordinary Resolution pursuant to Clause 28.2 of the EH-REIT Trust Deed, in accordance with Chapter 3.2(f) of the CIS Code. In addition, Resolution 2 is an Interested Person Transaction which requires the approval of Stapled Securityholders under Paragraph 5.2 of the Property Funds Appendix and Chapter 9 of the Listing Manual;
- (c) **Resolution 3** (The Proposed Appointment of the New Trustee-Manager of EH-BT and Waiver of BTR Notice Period Requirement) is required to be passed by an Ordinary Resolution pursuant to (i) (in respect of the Proposed Appointment of the New Trustee-Manager of EH-BT) Clause 22.1 of the EH-BT Trust Deed and Regulation 14(4) of the BTR and (ii) (in respect of the Waiver of the BTR Notice Period Requirement) the MAS Regulation 14(3)(b) BTR Ruling; and
- (d) **Resolution 4** (The Proposed Authority for the Issuance of up to 140,000,000 new Stapled Securities at the Issue Price per Stapled Security for Payment of the Base Fees Payable to the New REIT Manager and the New Trustee-Manager for FY2021 and FY2022) is required to be passed by an Ordinary Resolution pursuant to Clause

10 "Stockbroker" is defined in the EH-REIT Trust Deed to mean (i) a member of the SGX-ST or any other Recognised Stock Exchange, (ii) an entity which holds a financial adviser's licence issued pursuant to the Financial Advisers Act, Chapter 110 of Singapore, (iii) an entity which is an exempt financial adviser under the Financial Advisers Act, Chapter 110 of Singapore and/or (iv) a holder of a capital markets services licence for the regulated activity of advising on corporate finance issued pursuant to the Securities and Futures Act. "Recognised Stock Exchange" is defined in the EH-REIT Trust Deed to mean any stock exchange of repute in any country in any part of the world;

LETTER TO STAPLED SECURITYHOLDERS

5.1.1 of the EH-REIT Trust Deed, Clause 5.1.1 of the EH-BT Trust Deed, Section 36(1) of the BTA, Clause 4.1 of the Stapling Deed and Chapter 8 of the Listing Manual.

Stapled Securityholders should note that:

- (i) **Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are inter-conditional on the passing of each other. This means that in the event that any of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 is not passed:**
 - (A) **none of the remaining Resolution 1, Resolution 2, Resolution 3 or, as the case may be, Resolution 4 will be put to the vote of Stapled Securityholders; and**
 - (B) **none of Resolution 1, Resolution 2, Resolution 3 and Resolution 4, will be carried and none of the resolutions will be proceeded with.**
- (ii) **In the event that any of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 is not passed and/or carried, Resolution 5 will be put forth for voting. For the avoidance of doubt, if all of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are passed, Resolution 5 will not be put to the vote of Stapled Securityholders.**

2.7 Relevant Considerations for Stapled Securityholders

Stapled Securityholders should also consider the relevant factors and risks associated with the Proposed Change of Managers and Related Matters and the business and industry in which EHT operates, together with all other information contained in this Circular, including, in particular, the risks factors described below. Such risks described are not exhaustive and are not the only ones that EHT may face. **Additional risks not presently known or that are currently deemed immaterial may also adversely affect EHT.**

There is no assurance that the Master Lessees will comply with their post-Master Lease Agreement termination obligations. Pursuant to the Master Lease Agreements, the Master Lessees have obligations to facilitate and cooperate in the transfer of operations of the Hotels back to the Master Lessors upon termination. There is a risk that the Master Lessees will not cooperate in the transitioning of the Hotels back to the Master Lessors leading to possible confusion and disputes with vendors, contractors and other stakeholders, and thereby adding to the possibility of delays, uncertainty and costs to be incurred by EHT in obtaining legal control and possession over the Properties.

Delays in unlawful detainer actions may affect hotel reopening and stabilisation plans. As announced by the Managers on 16 September 2020, 23 September 2020 and 13 November 2020, unlawful detainer actions have been filed in the various jurisdictions seeking to regain legal possession of the Properties by the Master Lessors. While possession has been restored for some of the Hotels, most of the actions at present are continuing. While there is a hope that possession as to the majority of the Hotels will be restored by the end of the first quarter of 2021, there is a risk that all or some of the currently unresolved unlawful detainer actions to regain legal possession of the Hotels may prove unsuccessful in the near term or in the future either because of (a) court delays related to COVID-19 or otherwise, or (b) opposition by the Master Lessees contesting the unlawful detainer actions seeking to regain legal possession of the Hotels. Furthermore, litigation is always subject to uncertainties, which may arise from factors such as local court requirements and changing local legal conditions, ordinances and orders. Stapled Securityholders should note that there is no certainty or assurance that the Master Lessors are able to successfully regain legal possession of the Hotels.

Potential delays in obtaining the necessary permits and licenses required to reopen the Hotels, hampering hotel reopening and stabilisation plans. There are risks that the necessary permits and licenses needed for hotel reopening and management may not be able to be secured in the time anticipated or at all, leading to possible confusion and disputes with vendors,

LETTER TO STAPLED SECURITYHOLDERS

contractors and other stakeholders and delays, thereby hampering hotel reopening and stabilisation plans.

Potential litigation risk from the creditors of outstanding hotel liabilities, the lenders of EHT under the BoA Facilities Agreement and Mortgage Loans as well as the Sponsor and the Master Lessees. As detailed in the Managers' earlier announcements from March 2020 onwards, there are a number of claims that have been asserted with respect to outstanding liabilities related to the Hotels as well as notices of defaults received by the Managers in respect of the BoA Facilities Agreement and Mortgage Loans. In addition, as announced by the Managers, the Master Lessees have alleged that the Master Lessors are purportedly in breach of the Master Lease Agreements and the omnibus assignment and assumption of contracts and obligations and assets agreements entered into between each Master Lessor and Master Lessee in respect of the Properties in connection with the IPO of EHT. Stapled Securityholders should note that there is no certainty or assurance that there will be no claims asserted against the Master Lessors in the future for undiscovered outstanding liabilities relating to the Hotels, claims asserted against EHT in the future for additional defaults arising under the BoA Facilities Agreement and Mortgage Loans or claims asserted by the Sponsor and/or the Master Lessees in respect of the Master Lease Agreements and/or the omnibus assignment and assumption of contracts and obligations and assets agreements.

Should future claims be made against EHT, no predictions are made regarding the results of such claims or litigation as against EHT and no assurance can be given that such claims or litigation will not have a material adverse effect on EHT. Regardless of the outcome, litigation may require expenditure of significant funds as well as management time. In addition, exposure to litigation or fines imposed by regulatory authorities may affect EHT's reputation even if the monetary consequences may not be significant, and there is a risk that some of these claims may be litigated adverse to EHT leading to significant monetary judgments.

Hotel managers and/or franchisors may demand for repayment of hotel obligations of the Master Lessees under the Hotel Management Agreements and/or Franchise Agreements pursuant to the non-disturbance agreements. As a result of the termination of the Master Lease Agreements, EHT will no longer benefit from the hotel franchise licences held by the Master Lessees. Consequently, EHT will be required to apply for fresh franchise licences from the relevant hotel franchisors in the implementation of the MLA Internalisation. There is no assurance that the hotel franchisors will not demand repayment of outstanding fees and other amounts due to the hotel franchisor by the applicable Master Lessee as a condition to issuance of new hotel franchise licenses to EHT. In addition, given the existence of the non-disturbance agreements at certain Properties, the relevant Master Lessors have, in connection with the termination of the Master Lease Agreements, assumed the obligations of the relevant Master Lessee under the applicable Hotel Management Agreement from and after the termination of the Master Lease Agreement and, in some instances, all obligations of the Master Lessee under the Hotel Management Agreement, regardless of when such obligations arose. Should the Master Lessors fail to make payment of the amounts due to the applicable hotel manager and/or hotel franchisor, disputes with the hotel manager and/or hotel franchisor may arise and result in disruptions in the operations of the Properties leading to a loss of hotel guests, tenants and rental income from the Properties. If Master Lessors default on a Hotel Management Agreement and/or Franchise Agreement, the hotel manager and/or hotel franchisor may have the right to terminate the Hotel Management Agreement or Franchise Agreement (as the case may be) and the Master Lessor may be required to pay the fees or other liquidated damages. Further, if any of the Properties were to lose a brand licence and need to be re-branded, the underlying value of the applicable hotel could decline from the loss of associated name recognition, marketing support, participation in guest loyalty programs and the centralised services system provided by the hotel franchisor, which, amongst other things, could reduce income from the impacted Property.

The Master Lessor of the Queen Mary Long Beach Property may be required to repay the loan, interests and penalties (if any) under the Paycheck Protection Program Loan. As announced by the Managers on 14 August 2020, the Managers and the EH-REIT Trustee had discovered that the Paycheck Protection Program Application, being an unauthorised loan application, was submitted on behalf of the Master Lessor of the Queen Mary Long Beach Property under the

LETTER TO STAPLED SECURITYHOLDERS

United States Paycheck Protection Program. The Paycheck Protection Program Application was approved and the Paycheck Protection Program Loan, being a loan in excess of US\$2.0 million, was granted with the Master Lessor of the Queen Mary Long Beach Property as the debtor thereunder. As at the Latest Practicable Date, the Managers and the EH-REIT Trustee understand that the Paycheck Protection Program Loan has not been transferred to the Master Lessee of the Queen Mary Long Beach Property as the appropriate debtor. While the Managers and the EH-REIT Trustee are currently consulting their professional advisers on further actions to be taken, there is no assurance if the Paycheck Protection Program Loan will be transferred to the Master Lessee of the Queen Mary Long Beach Property as the appropriate debtor, or on the outcome of this issue. There is no assurance or certainty that the Master Lessor of the Queen Mary Long Beach Property, as the debtor under the Paycheck Protection Program Loan, will not be required to repay the Paycheck Protection Program Loan and any interest and/or penalties thereunder.

It is proposed for EH-BT to be an active business trust and activities carried out by EH-BT may affect the returns of EHT. As the Master Lease Agreements have been terminated and EH-BT is envisaged to be activated to be the master lessee of the Properties, EHT will face additional risks including, but not limited to, exposure to EH-BT's business operations, including the results of the hotel operations, as well as the loss of the fixed rent component under the Master Lease Agreements. Should EH-BT suffer losses, or should its relative returns based on criteria such as capital or equity employed be lower than that of EH-REIT, the returns of EHT may be adversely affected since such returns comprise an aggregate of returns from both EH-REIT and EH-BT. Such risks will be different from the risk profile of EHT as at the date of its listing on the SGX-ST, where EHT was essentially a property owner deriving rental income from the Master Lessees (which included the fixed rent component).

EH-REIT's aggregate leverage is expected to remain above the permitted limit under the Property Funds Appendix for the foreseeable future, and EH-REIT is exposed to various risks relating to its borrowings (including under the Proposed Bridge Facility). As summarised in Paragraph 1.4 above, EH-REIT is exploring entering into the Proposed Bridge Facility and is in the process of obtaining a waiver from the MAS from compliance with Paragraph 9.2 of the Property Funds Appendix, which restricts the aggregate leverage of EH-REIT to a maximum of 50.0% before 1 January 2022 and a maximum of 45.0% after 1 January 2022 if EH-REIT has a minimum adjusted interest coverage ratio below 2.5 times after taking into account the interest payment obligations arising from the new borrowings. EH-REIT's aggregate leverage was approximately 65.5% as at 30 September 2020, and is expected to further increase after the drawdown of the Proposed Bridge Facility. Accordingly, EH-REIT's aggregate leverage will be above the permitted limit under the Property Funds Appendix (which will require a waiver from the MAS to be in place).

Efforts to reduce EH-REIT's aggregate leverage may not be successful. In particular, while EHT may attempt to divest select Properties and apply the divestment proceeds towards reducing its borrowings, efforts to find suitable buyers for such Properties may not be successful, and a transaction on acceptable terms may not materialise. In addition, there is no certainty that EHT will not be required to divest Properties at a steep discount to its valuation, or that any desired divestment price will be achieved. There is also no assurance that EH-REIT will be able to conduct an equity fund raising to recapitalise its balance sheet, on acceptable terms or at all. Stapled Securityholders should further note that the Proposed Bridge Facility contains various conditions, including for certain Properties to be sold in 2021 within the timelines provided and requirements in respect for minimum equity capital raising by certain timelines. There is no assurance that any such transactions will be consummated on time or on acceptable terms (or at all), or that any of these conditions under the Proposed Bridge Facility will be met. Subject to the definitive documentation to be executed by the relevant parties in respect of the Proposed Bridge Facility, the failure to fulfil any of such conditions could result in a default under the Proposed Bridge Facility.

In addition, there can be no assurance that the Properties will be able to generate sufficient cash flow, whether due to delays in the re-opening of the Properties, market conditions, the impact of any worsening of COVID-19 or otherwise, to enable EHT to meet its principal and/or its interest repayment obligations under its loan agreements. If EHT defaults under the terms

LETTER TO STAPLED SECURITYHOLDERS

of its loans, the respective lenders may be able to declare a default and initiate enforcement proceedings in respect of any security provided, call upon any guarantees provided and/or take other remedies against EHT, including preventing distributions from being paid to Stapled Securityholders.

Under the terms of the Proposed Bridge Facility, any free cash flows generated from the Properties will need to be retained by EHT and used to repay loans or for other permitted uses, and EHT will not be able to pay any distributions to Stapled Securityholders without the approval of the lenders.

In addition, if principal amounts due for repayment at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as new equity capital, EHT will not be able to pay distributions at expected levels to Stapled Securityholders or to repay all maturing debt. EHT will also be subject to the risk that the terms of any refinancing of borrowings may not be as favourable and this may include an increase in interest expense. This may adversely affect EHT's cash flow and the amount of distributions to Stapled Securityholders. The terms of any refinancing undertaking in the future may also contain covenants which may limit or otherwise adversely affect its operations and its ability to make distributions to Stapled Securityholders or which may restrict EHT's ability to acquire properties or to undertake other capital expenditure and may require it to set aside funds for maintenance or require it to maintain certain financial ratios. The triggering of any of such covenants may have an adverse impact on EHT's financial condition.

There is no assurance that continued forbearance and/or waivers of existing defaults under the BoA Facilities Agreement and the Mortgage Loans as well as capital investment will be secured in order for EHT to continue as a going concern. There is material uncertainty which may cast significant doubt on EHT's ability to continue as a going concern. While negotiations with the lenders for the Proposed Bridge Facility are currently ongoing as at the Latest Practicable Date, there is no certainty or assurance that definitive agreements in relation to the Proposed Bridge Facility will materialise or be entered into, or that the terms of any such definitive agreements will be acceptable. In the event that the Proposed Bridge Facility does not materialise, there is no assurance that alternative funding, whether in the form of debt, equity and/or hybrid instruments, will be secured on acceptable terms, or at all. If a capital investment cannot be secured, EHT will not have the cash resources to resolve its outstanding issues, and it is unlikely that EHT will be able to continue to operate the Properties on a going concern basis.

Further, as at the Latest Practicable Date, discussions and negotiations are ongoing with the relevant lenders under the BoA Facilities Agreement and the Mortgage Loans with the goal of achieving long-term forbearance, waiver and/or recapitalisation agreements in respect of the BoA Facilities Agreement and the Mortgage Loans or the restructuring of the existing loan facilities, but there can be no certainty or assurance that there will be any satisfactory resolution with EHT's lenders. If long-term forbearance, applicable waivers and/or successful restructuring cannot be negotiated, and the current short-term forbearance arrangements with EHT's lenders are terminated and/or expire and new short-term forbearance arrangements are not entered into, the lenders will have the right to foreclose on their respective loans and exercise their rights and remedies under their respective loan or facility agreements. If the lenders foreclose on their respective loans, there can be no guarantee that the proceeds obtained from the sale of the relevant Properties from such foreclosure will be sufficient to repay the outstanding loans and in such event, the lenders may exercise their right of recourse against EH-REIT and its subsidiaries. There can be no certainty or assurance that EHT will be able to successfully negotiate and enter into new short-term forbearance arrangements and/or long-term forbearance agreements with its lenders on acceptable commercial terms to EHT. Any auditor of EHT will need assurance that any long-term forbearance, waiver and/or recapitalisation agreements with the relevant lenders will not render EHT insolvent or threaten its ability to continue as a going concern. While the relevant parties intend to negotiate arrangements that allow EHT to continue operating as a going concern, no assurances can be given as to the views of any such auditor on this point.

There is no assurance of satisfaction of the conditions under the Proposed Bridge Facility. Subject to ongoing negotiations and relevant parties executing definitive documentation,

LETTER TO STAPLED SECURITYHOLDERS

closing of the Proposed Bridge Facility is subject to conditions, including but not limited to the conditions as set out in Paragraph 1.4. There is no assurance or certainty that such conditions would be able to be satisfied by EHT or if unsatisfied, that the lenders of the Proposed Bridge Facility will grant a waiver in respect of the unsatisfied conditions. The failure to satisfy any such conditions would have a material adverse effect on EHT's access to financing that is required to fund the costs expected to be incurred to reopen the Hotels, pay for operating expenses of 15 Hotels and mandatory capital expenses required under the Franchise Agreements and for general working capital purposes. Depending on the prevailing circumstances, including whether EHT will be able to obtain alternative sources of funding, EHT may be required to consider other options including insolvency protection under Chapter 11 of the United States Bankruptcy Code.

There is no assurance that the requisite consents will be obtained from the City of Long Beach, the BoA Facilities Agreement Lenders and the lenders of the Mortgage Loans. While EHT is in the process of obtaining the requisite consents from the City of Long Beach, the BoA Facilities Agreement Lenders and the lenders of the Mortgage Loans in respect of the removal of the EH-REIT Manager by the EH-REIT Trustee and the Proposed Appointment of the New REIT Manager of EH-REIT as well as the Proposed Appointment of the New Trustee-Manager of EH-BT as required pursuant to the respective terms of the Queen Mary Ground Lease, the BoA Facilities Agreement and the Mortgage Loans, there can be no certainty or assurance that such consents will be obtained prior to the date of the EGM. The failure to obtain the requisite consents will be an event of default under the Queen Mary Ground Lease, the BoA Facilities Agreement and the Mortgage Loans that would give the City of Long Beach (subject to providing the requisite notice and the opportunity for the Master Lessor of the Queen Mary Long Beach Property to cure the default) the right to terminate the Queen Mary Ground Lease as well as the BoA Facilities Agreement Lenders and the lenders of the Mortgage Loans the right to accelerate and foreclose the BoA Facilities Agreement and the respective Mortgage Loans (as the case may be), which will likely have a material adverse effect on the business, financial condition, results of operations and prospects of EHT.

Default under the Lendco Unsecured Loan. As disclosed in EHT's second and third quarter unaudited financial statements for FY2020, Lendco has not issued a notice of default and/or demand for payment in relation to the Lendco Unsecured Loan. Nevertheless, there is no assurance that Lendco will continue to hold off legal proceedings and should Lendco elect to issue a notice of default for the failure to pay any sums due and payable under the Lendco Unsecured Loan, this will cause the liabilities under the Lendco Unsecured Loan to become current and which will likely result in a material adverse impact on the financials of EHT.

The appraisals of the Properties are based on various assumptions and there is no assurance that EHT will be able to realise the reported valuation of a Property on its disposal. The reported valuations of each of the Properties as at 31 August 2020 prepared by the Independent Valuer is contained in Appendix F to this Circular. The appraised value of any of the Properties or any future acquisitions is not an indication of, and does not guarantee, a sale price at that value at present or in future. As part of their plans, the New Managers may rebalance EHT's portfolio through divestment of select Properties. Whether the Properties can be divested at their reported valuations as at 31 August 2020 or at a valuation as at a later date, or even at a steep discount to such valuation depends on various factors, including the economic outlook of the United States hospitality industry and market, the impact of the ongoing COVID-19 pandemic on the reservation rates of the Properties, the present condition of the Properties, the time of disposal and whether the assets will be marketed as distressed or not.

Further, the appraisals of the Properties are based on methodologies which may include a subjective determination of certain factors relating to the Properties, such as their relative market positions, financial and competitive strengths and physical condition, as well as broader market and economic conditions. There can be no assurance that the assumptions relied on for the appraisals of the Properties are accurate measures of the market, and the values of the Properties may be evaluated inaccurately.

In addition, there can be no assurance that there will be no downward revaluation of the Properties in the future, including in the near to medium term due to changes in market

LETTER TO STAPLED SECURITYHOLDERS

conditions, any material worsening of the COVID-19 pandemic or otherwise. EHT is required to measure investment properties at fair value at each balance sheet date and any change in the fair value of the investment properties is recognised in the statements of total return. The changes in fair value may have an adverse effect on EHT's financial results as revaluation losses will be charged to EHT's statements of total return in the financial years where there is a significant decrease in the valuation of any of the Properties. A downward revaluation of any of these properties may also result in an increase in EHT's gearing.

It is expected that a period of time will be required in order to implement the MLA Internalisation, re-open all of the Properties which are closed, and to stabilise the operations and performance of the Properties. As at the Latest Practicable Date, 15 of the Properties remain closed and unlawful detainer actions are ongoing to regain legal possession of all of the Properties by the Master Lessors. As highlighted above under "*There is no assurance that the Master Lessees will comply with their post-Master Lease Agreement termination obligations*" and "*Delays in unlawful detainer actions may affect hotel reopening and stabilisation plans*", there is no assurance that the Master Lessors will be able to successfully regain legal possession of the Properties, whether in accordance with the planned timeline or at all. EHT will require the Master Lessors to regain legal possession of the Properties in order to successfully re-open the Properties. In addition, there may be delays in re-opening the Properties which are currently closed, whether due to market conditions, a worsening of the COVID-19 pandemic, the factors described in "*Potential delays in obtaining the necessary permits and licenses required to reopen the Hotels, hampering hotel reopening and stabilisation plans*" above or otherwise. Accordingly, a substantial period of time is required in order for the Master Lessors to regain legal possession of the Properties, to complete the unlawful detainer actions and to re-open Properties which are currently closed. Given that the situation is dynamic and dependent on factors beyond EHT and the New Managers' control (including the co-operation of counterparties such as the Master Lessees, hotel managers and brand franchisors), there cannot be any commitment or assurance as to the length of time required to implement the foregoing steps (and any planned timelines may be subject to delays which could be lengthy). There is also no certainty that any of the foregoing steps will be successfully implemented on acceptable terms or at all, thereby posing further uncertainty as to when and to what extent EHT can collect revenues from its Properties.

In addition, even after the Properties are re-opened, a substantial period of time will be required for the New Managers to implement their plans to stabilise the operations and performance of the Properties and for the newly re-opened Properties to begin generating meaningful cashflows. The re-opening of the Properties and ability of the Properties to generate cashflows, the implementation of the New Managers stabilisation plans, as well as the revenue, results of operations and performance of the Properties and EHT are all dependent on numerous factors outside of EHT's and the New Managers' control. These include the co-operation and efforts of counterparties such as the hotel managers, that the risks highlighted in the other risk factors in this section do not materialise, as well as the performance of the United States economy, which is in turn affected by, amongst others, the outbreak of the COVID-19 pandemic and global economic conditions. Any prolonged adverse effects on the United States economy could adversely affect EHT's results of operations and financial performance.

Accordingly, there is no certainty as to the timing for stabilisation of the operations and performance of the Properties and EHT, or as to whether the performance of the Properties and EHT will recover (if at all) to be in line with the performance prior to the COVID-19 pandemic and/or the defaults by the Master Lessees.

The financial performance of the Properties and EHT is dependent on the condition and outlook of the United States hospitality and lodging industry, which has been severely affected by the outbreak of COVID-19. The global impact of the COVID-19 pandemic has resulted in unprecedented impact on the industries which EHT operates in, particularly the hospitality and lodging industry in the United States. Further, it has been recently reported that the United States is experiencing an increase in COVID-19 cases. While there have been favourable reports regarding the efforts of pharmaceutical companies to develop a vaccine, such efforts remain at a preliminary stage and substantial time may be required before vaccinations are approved and become readily available. It is possible that public health officials or governmental

LETTER TO STAPLED SECURITYHOLDERS

authorities in the markets in which EHT operates in may impose restrictions in an effort to slow the spread of COVID-19, or relax or revoke existing restrictions too quickly, which could, in any case, exacerbate the severity of adverse impacts on economies. Due to the fluid and evolving nature of the COVID-19 outbreak, there is uncertainty as to the severity of impact that COVID-19 will have on EHT. This presents a material risk to EHT's business, financial condition, results of operations and prospects.

There is no certainty as to when the trading suspension on the Stapled Securities will be lifted. In order for EHT to eventually lift its trading suspension, sufficient progress would need to be made towards stabilising EHT's operations, including the re-opening of the Properties, and EHT would have to, among others, ensure that it can operate as a going concern. As highlighted in the risk factors above, the ability to achieve these milestones is dependent on numerous factors outside of EHT and/or the New Managers' control, and the New Managers would also need substantial time to implement their stabilisation plans for EHT. Accordingly, there can be no certainty as to when the trading suspension on the Stapled Securities will be lifted (and no assurance that the trading suspension will be lifted at all) or that trading suspension on the Stapled Securities will be lifted by the required timeline under the conditions of the Proposed Bridge Facility.

The auditors of EHT may continue to issue disclaimer or qualified audit opinions. There is no certainty or assurance when the auditors of EHT will be able to issue unqualified audit opinions on the financial statements of EHT due to factors including but not limited to the ability of EHT to secure long term forbearance agreements with its lenders, the state of EHT's cash flow and ongoing litigation claims asserted with respect to outstanding liabilities related to the Hotels. The inability for an unmodified opinion to be issued by EHT's auditors may affect EHT's financial standing and ability to secure financing or undertake fundraising exercises in the future.

The New Managers may not be able to successfully implement their strategy for EHT. There is no assurance that the New Managers will be able to successfully implement their medium to long-term strategies to deliver regular and stable distributions, or that they will be able to expand the portfolio of EHT at any specified rate or to any specified size. The New Managers may not be able to make acquisitions or investments on favourable terms or within a desired time frame, or successfully raise capital to finance any such acquisitions. Even if EHT is able to successfully acquire property or investments, there is no assurance that EHT will achieve its intended return on such acquisitions or investments.

There may also be significant competition for attractive investment opportunities from other property investors, including other REITs, commercial property companies and private investment funds. Potential sellers of real estate assets may view the necessity of raising equity capital to fund an acquisition negatively and may prefer other purchasers (in particular as sellers may perceive EHT negatively due to the circumstances affecting it and may regard EHT as having a lower chance of successfully raising capital). There is no assurance that EHT will be able to compete effectively against other property investors.

Further, the New Managers may from time to time initiate asset enhancement plans for some of the Properties. There is no assurance that such plans for asset enhancement will materialise, or in the event that they do materialise, they may not achieve their desired results or may incur significant costs to EHT.

The failure of the New Managers to implement their strategy successfully for EHT may have a material adverse effect on the business, financial condition, results of operations and prospects of EHT and may also result in the failure to meet certain conditions under the Proposed Bridge Facility.

There is no assurance that EHT will have sufficient cash resources to carry out a Chapter 11 filing if required. Given EHT's dwindling finite cash resources and if the current short-term forbearance arrangements with EHT's lenders are terminated and/or expire and new short-term forbearance arrangements are not entered into, EHT may not have sufficient cash resources to pursue a Chapter 11 filing and accordingly, the lenders will have the right to foreclose on their

respective loans and exercise their rights and remedies under their respective loan or facility agreements.

In the event EHT pursues a Chapter 11 filing, the success of such a filing will depend on factors beyond EHT's control such as the ability of EHT to obtain DIP financing on acceptable terms in order to ensure that EHT has sufficient cash resources to stabilise the Properties to ensure continued operations of the Properties during the Chapter 11 process. In addition, there is also no assurance or certainty that hotel franchisors, third party vendors and customers will be willing to enter into or continue to enter into business transactions with EHT in a Chapter 11 scenario. This may lead to an adverse impact on the various contractual obligations for which EHT is a party to (resulting in potential penalties), and loss of potential income stream of any re-opened Properties and jeopardise the success of the Chapter 11 filing.

3. THE TERMINATION PROPOSAL (RESOLUTION 5)

3.1 The Termination Proposal

The Termination Proposal relates to (a) the voluntary delisting of EHT from the Official List of the SGX-ST under Clause 9.2 and Paragraph 5(i) of Schedule 1 to the EH-REIT Trust Deed, Clause 8.2 of the EH-BT Trust Deed and Clause 10.2 of the Stapling Deed, (b) the voluntary termination and winding-up of EH-REIT under Clauses 26.2.3 and 26.5 of the EH-REIT Trust Deed respectively, and (c) the voluntary winding-up of EH-BT under Clause 24.1 of the EH-BT Trust Deed and Section 45 of the BTA.

3.2 Background and Rationale for the Termination Proposal

3.2.1 In the event that any of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 is not passed and/or carried at the EGM, the Proposed Change of Managers and the Related Matters will not be implemented for EHT.

3.2.2 Based on EHT's 3Q2020 unaudited financial statements, EHT had reported a net loss for year-to-date 2020 of approximately US\$604.7 million, which includes unrealised fair value losses of US\$535.3 million arising from the valuation performed on the Properties by the Independent Valuer as at 31 August 2020. Such fair value losses recorded for all of EHT's investment properties were due to, among other things, the negative impact of COVID-19 on property operating metrics primarily, significantly lower earnings projection and higher discount rates being applied to EHT's investment properties, the removal of the Master Lease Agreements and the increase in capital expenditures required for the Properties. The Independent Valuer remarked that the decrease on a weighted average basis by 38.1% (on an "as is" basis) and 23.8% (on a stabilised basis) respectively from the valuations of the Properties as at 31 December 2018 remains well within the expected range cited by other industry experts. EHT's equity as at 30 September 2020 is approximately US\$148.9 million, as its total liabilities are US\$630.0 million and total assets are US\$778.9 million as at 30 September 2020. This indicates a decline of 81%, compared to EHT's equity of US\$779.1 million for 31 December 2019.

3.2.3 Without a new manager for EH-REIT or a new trustee-manager for EH-BT amidst recurring losses due to continued property closures and possible solvency concerns, the relevant lenders under the BoA Facilities Agreement and the Mortgage Loans may not be willing to grant any further forbearance and/or waivers in respect of the payment and other obligations, and would therefore have the right to foreclose on their collateral. Circumstances have been difficult for EHT due to, amongst other things, the numerous defaults of the Master Lessees under the Master Lease Agreements, the termination of the Master Lease Agreements by the Master Lessors such that there is no longer a "master lessee" construct in place for EH-REIT and the ongoing COVID-19 pandemic that has affected the hospitality industry in the United States. Additionally, the Proposed Bridge Facility will be conditional on the appointment of the New Managers. Without additional new capital, there is no reasonable prospect for EHT to continue to operate the Properties on a going concern basis.

LETTER TO STAPLED SECURITYHOLDERS

3.2.4 Therefore, it is proposed that Stapled Securityholders be provided with the alternative option of realising any remaining value of their Stapled Securities through the voluntary delisting of EHT, the voluntary termination and winding-up of EH-REIT and the voluntary winding-up of EH-BT.

3.3 Delisting procedure for EHT in accordance with the Trust Deeds and the Listing Manual

3.3.1 Pursuant to Clause 10.2 of the Stapling Deed, the Managers may only make an application to delist EHT if the Stapled Securityholders, by an Extraordinary Resolution, decide that EHT is to be delisted. In addition, Clause 9.2 and Paragraph 5(i) of Schedule 1 to the EH-REIT Trust Deed and Clause 8.2 of the EH-BT Trust Deed provide that the EH-REIT Manager and the EH-BT Trustee-Manager, respectively, may only make an application to delist EH-REIT and EH-BT, respectively, if the delisting has been approved by an Extraordinary Resolution of a meeting of Stapled Securityholders.

3.3.2 Under Rule 1307 of the Listing Manual, the SGX-ST may agree to an application by an issuer to delisting from the SGX-ST if (a) the issuer convenes a general meeting to obtain Stapled Securityholders' approval for the delisting, and (b) the resolution to delist the issuer has been approved by a majority of at least 75% of the total number of issued Stapled Securities excluding Stapled Securities and subsidiary holdings held by Stapled Securityholders present and voting, on a poll, either in person or by proxy at the meeting. However, Rule 1308 of the Listing Manual provides that Rule 1307 of the Listing Manual would not be applicable in the context of a voluntary winding-up. Rule 1308 further provides that Rule 1309 of the Listing Manual, which, *inter alia*, requires a fair and reasonable exit offer to be made to Stapled Securityholders and that the independent financial adviser appointed must opine that the exit offer is fair and reasonable, would not be applicable in the context of a voluntary winding-up.

3.4 Termination and winding-up procedure for EH-REIT in accordance with the EH-REIT Trust Deed

3.4.1 Clause 26.2.3 of the EH-REIT Trust Deed provides that the EH-REIT Manager may in its absolute discretion terminate EH-REIT by giving notice in writing thereof to all Stapled Securityholders, as well as to the EH-REIT Trustee not less than three (3) months in advance of the termination and to the MAS not less than seven (7) days before the termination if at any time EH-REIT becomes unlisted after it has been listed.

3.4.2 Upon EH-REIT being terminated, Clause 26.5 of the EH-REIT Trust Deed provides that the EH-REIT Trustee shall, subject to the authorisations or directions (if any) given to it by the EH-REIT Manager and/or the Stapled Securityholders and pursuant to their powers contained in the EH-REIT Trust Deed, *inter alia*, proceed as follows:

- (a) sell all investments then remaining in its hands as part of the Deposited Property. Such sale by the EH-REIT Trustee shall be carried out and completed in such manner and within such period after the termination of EH-REIT as soon as practicable;
- (b) repay any borrowing and all amounts owing under any money raising or financing arrangement effected by EH-REIT (together with any interest accrued but remaining unpaid) for the time being outstanding and all other debts and liabilities in respect of EH-REIT before applying the balance to the Stapled Securityholders. All secured creditors will be repaid before unsecured creditors and secured creditors will be repaid in the order of priority of their respective rights of security;
- (c) retain from any distribution to be made to the Stapled Securityholders an amount equal to any contingent liability to the IRAS or CDP under any indemnity given to the IRAS or CDP (and in the case of CDP, such fees, costs and expenses due to CDP);
- (d) retain all fees, costs, charges, expenses, claims and demands incurred, made or apprehended by the EH-REIT Trustee in connection with or arising out of the liquidation of EH-REIT; and

LETTER TO STAPLED SECURITYHOLDERS

- (e) from time to time distribute to the Stapled Securityholders in proportion to the number of fully paid-up Stapled Securities held by each of the Stapled Securityholders, the net cash proceeds available for such distribution.

In winding-up EH-REIT, the EH-REIT Trustee will realise the assets of EH-REIT and shall repay all amounts owing under any financing arrangement effected by EH-REIT. The EH-REIT Trustee will be obliged to distribute the net proceeds from realisation of EH-REIT's assets to Stapled Securityholders, in proportion to the number of Stapled Securities they hold. The net proceeds would be the amount from the sale or realisation of assets after paying or providing for all liabilities (actual or contingent) of EH-REIT and any expenses in connection with the winding-up of EH-REIT. The EH-REIT Trustee may appoint a liquidator or other relevant service provider to assist it with the realisation of the assets of EH-REIT and distribution of the proceeds from such realisation.

3.5 Winding-up procedure for EH-BT in accordance with the EH-BT Trust Deed and BTA

3.5.1 Clause 24.1 of the EH-BT Trust Deed provides that EH-BT may be wound up by the EH-BT Trustee-Manager in the event that, *inter alia*, in the opinion of the EH-BT Trustee-Manager, it is impracticable or inadvisable to continue EH-BT and approval for the winding-up has been given by Stapled Securityholders by way of an Extraordinary Resolution duly passed by the Stapled Securityholders at a meeting thereof convened by the EH-BT Trustee-Manager in accordance with the EH-BT Trust Deed, which is consistent with Section 45 of the BTA.

3.5.2 In respect of the winding-up procedure for EH-BT, Clause 24.2 of the EH-BT Trust Deed provides that in the event that EH-BT is to be wound up, the EH-BT Trustee Manager shall, *inter alia*, proceed as follows:

- (a) dispose of the Trust Property (as defined in the EH-BT Trust Deed) of EH-BT. Such sale by the EH-BT Trustee-Manager shall be carried out and completed as soon as practicable after the commencement of the winding-up of EH-BT;
- (b) repay any borrowing effected by EH-BT (together with any interest accrued but remaining unpaid) for the time being outstanding and all other debts and liabilities in respect of EH-BT before applying the balance to make distributions to the Stapled Securityholders. All secured creditors will be repaid before unsecured creditors and secured creditors will be repaid in the order of priority of their respective rights of security;
- (c) retain from any distribution to be made to the Stapled Securityholders an amount equal to any contingent liability to the IRAS or CDP under any indemnity given to the IRAS or CDP (and in the case of CDP, such fees, costs and expenses due to CDP);
- (d) retain all fees, costs, charges, expenses, claims and demands incurred, made or apprehended by the EH-BT Trustee-Manager in connection with or arising out of the winding-up of EH-BT; and
- (e) from time to time distribute to the Stapled Securityholders in proportion to the number of fully paid-up Stapled Securities held by each of the Stapled Securityholders, the net cash proceeds available for such distribution.

As EH-BT has been dormant since the Listing Date, EH-BT does not have any assets and it is envisaged that there will not be any net proceeds realised from the winding-up of EH-BT that will be distributable to Stapled Securityholders.

3.6 United States Bankruptcy Code Chapter 11 Plan

3.6.1 In the absence of a successful financial and corporate restructuring of EHT and in view of EHT's dwindling finite cash resources, the EH-REIT Trustee may, in the discharge of its fiduciary duties, be required to seek insolvency protection (for example, such as Chapter 11 of the United States Bankruptcy Code or otherwise through liquidation) to ensure an orderly termination and

LETTER TO STAPLED SECURITYHOLDERS

winding-up of EH-REIT. Similarly, the subsidiaries of EH-REIT may be left with no further alternative but to seek insolvency protection under the relevant applicable insolvency laws and regulations such as Chapter 11 of the United States Bankruptcy Code.

3.6.2 For the avoidance of doubt, the ability of EH-REIT and the subsidiaries of EH-REIT to seek insolvency protection under Chapter 11 of the United States Bankruptcy Code is not contingent on the passing of Resolution 5.

3.7 Potential Sale of Assets under Section 363 of United States Bankruptcy Code Chapter 11 Plan

In the event that Resolution 5 is tabled at the EGM and passed by Stapled Securityholders, EHT may be required to seek protection under Chapter 11 of the United States Bankruptcy Code. There will not be any liquidator in this process. Instead, in the context of a sale of assets under Section 363 of Chapter 11, EHT will file Chapter 11 papers in the United States courts with the goal of commencing a sale of its assets.

The winding-up procedures under a Chapter 11 plan will entail a Debtor-In-Possession (“DIP”) selling assets as part of a bankruptcy court-sanctioned process, in an auction followed by bankruptcy court approval of the sale. A bankruptcy court-sanctioned process could provide for the sale of all or substantially all of the property of the estate, either subject to or free of any lien, and the distribution of the proceeds of such sale among holders of claims or interests. If the DIP receives an offer to acquire the Properties from a purchaser, the DIP would be at liberty to sell the Properties to such purchaser if the DIP considers it to be in the best interests of the creditors of EHT subject to higher and/or better offers. In this process, Stapled Securityholder approval is not required.

Whether the Properties can be liquidated at their reported valuations as at 31 August 2020 or at a steep discount depends on various factors, including the economic outlook of the United States hospitality industry and market, the impact of the ongoing COVID-19 pandemic on the reservation rates of the Properties, the present condition of the Properties, the time of disposal and whether the assets will be marketed as distressed or not.

According to the Valuation Summary, the Independent Valuer notes that the market outlook has worsened, with many hotels remaining closed to date and a long recovery forecasted. In its Valuation Summary, the Independent Valuer notes that where there have been transactions recorded, prices for hotels that were agreed pre-COVID and closed post-COVID were between 14% to 43% lower. Accordingly, it is likely that the Stapled Securityholders may not be able to realise the reported valuations of the Properties as at 31 August 2020 reported by the Independent Valuer and may suffer losses, depending on the realisation value of each Property at the time it is sold.

Whether Stapled Securityholders receive any residual equity value subsequent to paying or providing for all liabilities (actual or contingent) of EH-REIT and the expenses in connection with the winding-up of EH-REIT, will be dependent on the purchase value offered by the purchaser and accepted by the DIP. Accordingly, there is no assurance or certainty that the Stapled Securityholders will receive any value.

Should there be any residual equity value, the EH-REIT Trustee will be obliged to distribute the net proceeds from realisation of EH-REIT’s assets to Stapled Securityholders, in proportion to the number of Stapled Securities they hold.

3.8 Consequences of the Termination Proposal

3.8.1 In connection with the Termination Proposal, a Chapter 11 process, if filed, would result in an automatic stay in terms of enforcement and/or acceleration under the EHT Debt Facilities, Hotel Management Agreements and Franchise Agreements (to the extent the Master Lessors are a party to such agreements). It may also impact the Master Lessors’ ability to enter into new Franchise Agreements with respect to the Properties.

LETTER TO STAPLED SECURITYHOLDERS

The DIP will consider ways in which to stabilise the Properties to ensure ongoing operations while the Chapter 11 process is underway. Given that capital would be required for the operations, DIP financing would need to be obtained and there is no certainty that financing can be secured.

However, there is no certainty that there would not be any concerns from hotel franchisors, third party vendors and customers, to refrain from entering into business transactions with EHT. This may then lead to an adverse impact on the various contractual obligations for which EHT is a party to (resulting in potential penalties), and loss of potential income stream of any re-opened Properties.

The trading suspension of the Stapled Securities will likely continue throughout the Chapter 11 process.

3.9 Pro Forma Financial Effects of the Termination Proposal

3.9.1 In order to effect the Termination Proposal, the Divestment Transaction, being the proposed sale of EHT's portfolio, will have to be carried out as soon as possible. The Pro Forma Realised NAV per Stapled Security (being the reported NAV per Stapled Security as at 30 September 2020 and factoring the pro forma financial effects of such Divestment Transaction as part of the Termination Proposal) presented below are based off EHT's unaudited financial statements prepared by the Managers for the financial period from 1 January 2020 to 30 September 2020 and are provided strictly for illustrative purposes and do not purport to be indicative or a projection of the distribution available to Stapled Securityholders.

3.9.2 The sensitivity analysis assumes the sale of EHT's portfolio at various Divestment Discounts to its reported valuations as at 31 August 2020, and were prepared based on EHT's unaudited financial statements prepared by the Managers for the financial period from 1 January 2020 to 30 September 2020.

3.9.3 Movements from reported NAV per Stapled Security of US\$0.171 as at 30 September 2020, to Pro Forma Realised NAV per Stapled Security as at 30 June 2021 (for illustrative purposes) took into account the following:

- (a) the changes to asset value based on estimated sale proceeds of EHT's portfolio at a Divestment Discount to its reported valuations as at 31 August 2020¹¹, excluding any operating expenses;
- (b) the repayment of any borrowings effected by EHT (together with any interest accrued but remaining unpaid) for the time being outstanding and all other debt and liabilities in respect of EHT;
- (c) the settlement of taxes and liens/judgements as may be necessary, amounting to approximately US\$11.0 million as at the Latest Practicable Date. There may be additional payments for unsecured creditors under a Chapter 11 process, including any outstanding unpaid amounts incurred under the various operational agreements to which EHT (and/or its subsidiaries) is a party;
- (d) the settlement of professional fees, administrative fees and transaction expenses (including expenses associated with the Divestment Transaction), amounting to approximately US\$30.0 million; and
- (e) any remaining net cash proceeds may be distributed to Stapled Securityholders in proportion to the number of fully paid-up Stapled Securities held by each Stapled Securityholder.

11 Valuations on the Properties are derived based on the Independent Valuer's assumptions of the Properties reopening latest by the first quarter of 2021, which would require reopening costs to be covered by additional new capital.

LETTER TO STAPLED SECURITYHOLDERS

3.9.4 Pro forma financial effects as if the Divestment Transaction were completed on 30 June 2021 (for illustrative purposes) are as follows:

FOR ILLUSTRATIVE PURPOSES ONLY:

Divestment Discount	Illustrative Assumed Divestment Discount	
	0.0%	11.9% (Pro Forma Breakeven Discount)
Reported NAV per Stapled Security as at 30 September 2020 ¹² (US\$)	0.171	0.171
Pro Forma Realised NAV per Stapled Security (US\$)	0.064	0
Discount to reported NAV per Stapled Security	62.5%	100.0%
Discount to Stapled Security Price of US\$0.137 per Stapled Security on the Last Full Trading Day of the Stapled Securities (on 18 March 2020) before the suspension of trading of the Stapled Securities on 19 March 2020	53.3%	100.0%

Based on the assumptions above, if the Divestment Discount is more than 11.9%, there would be no Pro Forma Realised NAV per Stapled Security.

Whether the Properties can be divested at their reported valuations as at 31 August 2020 or at a steep discount depends on various factors, including the economic outlook of the United States hospitality industry and market, the impact of the ongoing COVID-19 pandemic on the reservation rates of the Properties, the present state of the Properties (including EHT's ability to reopen the Properties) and the availability of tenants of the Properties. Accordingly, Stapled Securityholders should note that the table above is for illustrative purposes only and are based on the assumptions above which may not be reflective of the actual circumstances under which the Termination Proposal (if approved) are effected under. **Stapled Securityholders should note that there is no certainty or assurance of a successful reorganisation of EH-REIT under Chapter 11 of the United States Bankruptcy Code or that Stapled Securityholders will receive any value in an orderly winding down of EH-REIT under Chapter 11 of the United States Bankruptcy Code.** Stapled Securityholders should also note that a full liquidation process may take a prolonged period of time.

3.10 Approval required from Stapled Securityholders

3.10.1 Resolution 5 (The Proposed (A) Voluntary Delisting of EHT, (B) Voluntary Termination and Winding-up of EH-REIT, and (C) Voluntary Winding-up of EH-BT) is required to be passed by an Extraordinary Resolution pursuant to (a) (in respect of the voluntary delisting of EHT) Clause 9.2 and Paragraph 5(i) of Schedule 1 to the EH-REIT Trust Deed, Clause 8.2 of the EH-BT Trust Deed and Clause 10.2 of the Stapling Deed, and (b) (in respect of the voluntary winding-up of EH-BT) Clause 24.1 of the EH-BT Trust Deed and Section 45 of the BTA.

¹² As announced by the Managers on 13 November 2020 in EHT's unaudited financial statements and distribution announcement for 3Q2020 and financial period from 1 January 2020 to 30 September 2020, which takes into account the fair value losses arising from the valuation performed on the Properties by the Independent Valuer as at 31 August 2020.

LETTER TO STAPLED SECURITYHOLDERS

3.10.2 Stapled Securityholders should note that Resolution 5 will not be put to the vote of Stapled Securityholders in the event that all of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are passed at the EGM.

4. CONSEQUENCES IF THE RESOLUTIONS RELATING TO (A) THE PROPOSED CHANGE OF MANAGERS AND RELATED MATTERS AND (B) THE TERMINATION PROPOSAL ARE NOT PASSED AND/OR CARRIED AT THE EGM

Stapled Securityholders should note that in the event that (a) any of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 is not passed and/or carried at the EGM, and (b) Resolution 5 in relation to the Termination Proposal is not passed at the EGM, the sponsorship of EHT will continue under the existing sponsor, Urban Commons, LLC. Pursuant to the EH-REIT Manager Removal Direction, the EH-REIT Manager will nonetheless be removed as the manager of EH-REIT within one (1) month from 30 November 2020 (or any longer period as the MAS may approve in writing) and in such a scenario, EHT will not have sufficient resources or time in light of the current challenging issues facing it (some of which are more particularly described under “Relevant Considerations for Stapled Securityholders” in Paragraph 2.7), bearing in mind that most of the Hotels remain closed, to identify and present another potential new manager with an actionable plan for Stapled Securityholders’ consideration. Stapled Securityholders should also note that if Resolution 5 in relation to the Termination Proposal is not passed at the EGM, the EH-REIT Trustee will not, for the same reasons mentioned above and based on the current financial position of EHT, be able to convene a separate meeting of Stapled Securityholders to determine an appropriate course of action pursuant to Section 295(3) of the SFA. Consequently, the EH-REIT Trustee will likely be compelled to consider seeking insolvency protection under Chapter 11 of the United States Bankruptcy Code to facilitate a reorganisation of EH-REIT or an orderly winding down of EH-REIT. The incumbent EH-BT Trustee-Manager will remain in place as the trustee-manager of EH-BT.

Stapled Securityholders should note that there is no certainty or assurance that there will be a successful reorganisation of EH-REIT under Chapter 11 of the United States Bankruptcy Code or that Stapled Securityholders will receive any value in an orderly winding down of EH-REIT under Chapter 11 of the United States Bankruptcy Code. Stapled Securityholders should note that the considerations in Paragraphs 3.6 and 3.7 will be applicable in a Chapter 11 filing.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL STAPLED SECURITYHOLDERS

5.1 Interests of Directors in Stapled Securities

As at the Latest Practicable Date, based on the Register of Directors’ Stapled Securityholdings maintained by the Managers, the interests in the Stapled Securities held by the Directors of the Managers are set out below.

Directors	Direct Interest		Deemed Interest	
	No. of Stapled Securities	% ⁽¹⁾	No. of Stapled Securities	% ⁽¹⁾
Mr. Davy Lau	-	-	-	-
Mr. Tarun Kataria	-	-	-	-
Mr. Tan Wee Peng Kelvin	-	-	-	-
Mr. Salvatore G. Takoushian ⁽²⁾	-	-	10,256,000	1.18

LETTER TO STAPLED SECURITYHOLDERS

Note:

- (1) All references to percentage Stapled Securityholding of the issued Stapled Securities in this Paragraph 5.1 are based on the total number of issued Stapled Securities as at the Latest Practicable Date, being 872,750,117 Stapled Securities in issue.
- (2) Empress Star Ventures Inc is wholly-owned by Mr. Salvatore G. Takoushian. Accordingly, Mr. Salvatore G. Takoushian is deemed to be interested in 10,256,000 Stapled Securities held by Empress Star Ventures Inc.

5.2 Interests of Substantial Stapled Securityholders in Stapled Securities

As at the Latest Practicable Date, based on the Register of Substantial Stapled Securityholders maintained by EHT, the interests of the Substantial Stapled Securityholders of EHT in the Stapled Securities are set out below.

Substantial Stapled Securityholders	Direct Interest		Deemed Interest	
	No. of Stapled Securities	% ⁽¹⁾	No. of Stapled Securities	% ⁽¹⁾
Mr. Howard Chorng Jeng Wu ⁽²⁾	-	-	53,163,000	6.09
Mr. Taylor Ronald Woods ⁽³⁾	-	-	66,102,000	7.57
Regal Empire Ventures Ltd	66,102,000	7.57	-	-
Mr. Tang Yigang @ Gordon Tang ⁽⁴⁾	25,641,000	2.94	74,783,000	8.57
Mdm. Chen Huaidan @ Celine Tang ⁽⁵⁾	25,641,000	2.94	74,783,000	8.57
Mdm. Yang Chanzhen @ Janet Yeo ⁽⁶⁾	-	-	51,281,000	5.88
Mr. Qian Jianrong	52,110,900	5.97	-	-

Notes:

- (1) All references to percentage Stapled Securityholding of the issued Stapled Securities in this Paragraph 5.2 are based on the total number of issued Stapled Securities as at the Latest Practicable Date, being 872,750,117 Stapled Securities in issue.
- (2) Fortress Empire Group Ltd, Vertical Gain Investments Inc and Dragonbay Fortune Inc each has a direct interest of 24,000,001 Stapled Securities; 1,886,000 Stapled Securities and 27,276,999 Stapled Securities respectively in EHT. Each of Fortress Empire Group Ltd, Vertical Gain Investments Inc and Dragonbay Fortune Inc is wholly-owned by Mr. Howard Chorng Jeng Wu. Accordingly, Mr. Howard Wu is deemed to be interested in an aggregate of 53,136,000 Stapled Securities held by Fortress Empire Group Ltd, Vertical Gain Investments Inc and Dragonbay Fortune Inc.
- (3) Mr. Taylor Ronald Woods owns 100% shareholdings in Regal Empire Ventures Ltd. Accordingly, Mr. Taylor Woods is deemed to be interested in 66,102,000 Stapled Securities held by Regal Empire Ventures Ltd.
- (4) Mr. Tang Yigang @ Gordon Tang ("**Mr. Gordon Tang**") is the spouse of Mdm. Chen Huaidan @ Celine Tang ("**Mdm. Celine Tang**"). The direct interest of 25,641,000 Stapled Securities are held jointly by Mr. Gordon Tang and Mdm. Celine Tang. 61,962,500 Stapled Securities are held by Tang Dynasty Fund Pte Ltd ("**TDF**") and 12,820,500 Stapled Securities are held by Tang Dynasty Pte Ltd ("**TD**"). Mr. Gordon Tang has more than 20% equity interest in each of TDF and TD, therefore he is deemed to be interested in the Stapled Securities held by both TDF and TD.

LETTER TO STAPLED SECURITYHOLDERS

- (5) Mdm. Celine Tang is the spouse of Mr. Gordon Tang. The direct interest of 25,641,000 Stapled Securities are held jointly by Mr. Gordon Tang and Mdm. Celine Tang. 61,962,500 Stapled Securities are held by TDF and 12,820,500 Stapled Securities are held by TD. Mdm. Celine Tang has more than 20% equity interest in each of TDF and TD, therefore she is deemed to be interested in the Stapled Securities held by both TDF and TD.
- (6) Yang Chanzhen @ Janet Yeo is the sole shareholder of Gold Pot Developments Limited and therefore she has deemed interest in the 51,281,000 Stapled Securities held by Gold Pot Developments Limited.

6. EXTRAORDINARY GENERAL MEETING

6.1 Date and Time of EGM

The EGM is convened for the purpose of considering and, if thought fit, passing with or without any modifications, the resolutions set out in the Notice of EGM.

Pursuant to the COVID-19 Order, the EGM, notice of which is set out on pages G-1 to G-6 of this Circular, will be held by way of electronic means on 30 December 2020 at 2.00 p.m. (Singapore time).

6.2 No attendance at EGM

Due to the current COVID-19 restriction orders in Singapore (including under the COVID-19 Act), **Stapled Securityholders will not be able to attend the EGM in person.** Instead, alternative arrangements have been put in place to allow Stapled Securityholders to participate in the EGM by:

- (a) watching the EGM proceedings via "live" audio-and-video webcast or listening to the EGM proceedings via "live" audio feed;
- (b) submitting questions in advance of the EGM; and/or
- (c) voting by appointing the Chairman of the EGM as proxy at the EGM.

Please refer to Paragraph 7.1 below for further details on the alternative arrangements.

In addition, Stapled Securityholders should note that the Managers may make further changes to EHT's EGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the COVID-19 Act and any regulations promulgated thereunder (including the COVID-19 Order) as well as other guidelines issued by the relevant authorities) as the situation evolves. Stapled Securityholders are advised to keep abreast of any such changes as may be announced by the Managers from time to time on SGXNET.

6.3 Circular, Notice of EGM and Proxy Form

In line with the provisions under the COVID-19 Order, no printed copies of this Circular, the Notice of EGM and the Proxy Form in respect of the EGM will be despatched to Stapled Securityholders. However, Stapled Securityholders can make an appointment with the Managers at enquiry@eagleht.com to collect copier-generated hardcopies of the Circular, the Notice of EGM and the Proxy Form from the registered office of the Managers located at 8 Marina Boulevard, #11-15/17, Marina Bay Financial Centre Tower 1, Singapore 018981, up to 23 December 2020.

Copies of this Circular, the Notice of EGM and the Proxy Form have been uploaded on SGXNET and are also available at EHT's website at <https://eagleht.com>.

A Stapled Securityholder will need an Internet browser and PDF reader to view these documents on SGXNET and EHT's website.

LETTER TO STAPLED SECURITYHOLDERS

Stapled Securityholders are advised to read this Circular carefully in order to decide whether they should vote in favour of or against (or abstain from voting on) the resolutions to be proposed at the EGM.

7. ACTION TO BE TAKEN BY STAPLED SECURITYHOLDERS

7.1 Alternative arrangements for participation at the EGM

Alternative arrangements have been put in place to allow Stapled Securityholders to participate at the EGM as follows:

(a) Registration to attend the EGM

Due to the current COVID-19 restriction orders in Singapore, Stapled Securityholders will not be able to attend the EGM in person. Instead, the EGM will be held by way of electronic means pursuant to the COVID-19 Order.

Stapled Securityholders will be able to watch the proceedings of the EGM through a "live" audio-and-video webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone.

In order to do so, Stapled Securityholders must follow these steps:

- (i) Stapled Securityholders or their corporate representatives (in the case of Stapled Securityholders which are legal entities) who wish to follow the proceedings through a "live" audio-and-visual webcast via their mobile phones, tablets or computers or listen to the proceedings through a "live" audio feed via telephone must pre-register their participation in the EGM ("**Pre-registration**") at <https://eaglehtegm.listedcompany.com/eagle-hospitality-trust-2020-egm> ("**EGM Registration**") by **2.00 p.m. on 27 December 2020** ("**Registration Deadline**") (being 72 hours before the time fixed for the EGM) for verification of their status as Stapled Securityholders (or the corporate representatives of such Stapled Securityholders). Following verification, an email containing instructions on how to access the "live" audio-and-visual webcast and audio feed of the proceedings of the EGM will be sent to authenticated Stapled Securityholders (or the corporate representatives of such Stapled Securityholders) by 6.00 p.m. on 28 December 2020. Stapled Securityholders or their corporate representatives must not forward the email to other persons who are not Stapled Securityholders and who are not entitled to participate in the EGM proceedings.
- (ii) Stapled Securityholders or their corporate representatives who have pre-registered by the Registration Deadline but do not receive any email by 6.00 p.m. on 28 December 2020, should contact the Managers for assistance at enquiry@eagleht.com.
- (iii) Stapled Securityholders holding Stapled Securities through relevant intermediaries (other than CPF or SRS investors) will not be able to pre-register for the "live" audio-and-visual webcast or the "live" audio feed of the EGM. Such Stapled Securityholders who wish to participate in the "live" audio-and-visual webcast or the "live" audio feed of the EGM should instead approach his/her relevant intermediary as soon as possible in order to make the necessary arrangements.

(b) Submission of questions in advance

Stapled Securityholders will not be able to ask questions "live" during the broadcast of the EGM. Stapled Securityholders who pre-register to watch the "live" audio-and-video

LETTER TO STAPLED SECURITYHOLDERS

webcast or listen to the “live” audio-only feed may submit questions related to the resolutions to be tabled for approval at the EGM:

- (i) All questions must be submitted by **2.00 p.m. on 23 December 2020**:
 - by email to EGM.QNA@eagleht.com; or
 - by post to the registered office of the Managers at 8 Marina Boulevard, #11-15/17, Marina Bay Financial Centre Tower 1, Singapore 018981.
- (ii) The Managers will endeavour to address substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM (as may be determined by the Managers in their sole discretion) as received from Stapled Securityholders either before the EGM on SGXNET and EHT’s website or during the EGM.
- (iii) The managers of EHT and/or the EH-REIT Trustee will, within one (1) month after the date of the EGM, publish the minutes of the EGM on SGXNET and EHT’s website, and the minutes will include the responses to the questions referred to above.
- (iv) Please note that Stapled Securityholders will not be able to ask questions at the EGM “live” during the audio-and-video webcast and the audio feed, and therefore it is important for Stapled Securityholders to pre-register their participation in order to be able to submit their questions in advance of the EGM.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, Stapled Securityholders are strongly encouraged to submit their questions via the EGM Q&A email at EGM.QNA@eagleht.com.

(c) Voting by proxy only

Stapled Securityholders will not be able to vote online on the resolutions to be tabled for approval at the EGM. Instead, if Stapled Securityholders (whether individual or corporate) wish to exercise their voting rights at the EGM, they must each submit an instrument of proxy to appoint the Chairman of the EGM as their proxy to attend, speak and vote on their respective behalf at the EGM. The Chairman of the EGM, as proxy, need not be a Stapled Securityholder of EHT.

- (i) Stapled Securityholders (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the instrument of proxy, failing which the appointment will be treated as invalid. All valid votes cast via proxy on each resolution will be counted.
- (ii) The duly executed proxy form must be submitted to the Managers in the following manner:
 - if submitted by post, be lodged with the registered office address of the Managers, at **8 Marina Boulevard, #11-15/17 Marina Bay Financial Centre Tower 1, Singapore 018981**; or
 - if submitted electronically, be submitted via email at EGM.REG@eagleht.com,

in either case, by 2.00 p.m. on 27 December 2020 (being **72 hours** before the time fixed for the EGM).

LETTER TO STAPLED SECURITYHOLDERS

- (iii) CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the EGM (i.e. by **2.00 p.m. on 18 December 2020**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by the cut-off date.

7.2 Depositor not Stapled Securityholder

A Depositor shall not be regarded as a Stapled Securityholder of EHT entitled to attend the EGM and to speak and vote unless he is shown to have Stapled Securities entered against his name in the Depository Register as certified by CDP to the Managers at least 72 hours before the time fixed for holding the EGM.

7.3 Important Reminder

Due to the constantly evolving COVID-19 situation in Singapore, the Managers and the EH-REIT Trustee may be required to change the arrangements for the EGM at short notice. Stapled Securityholders should check EHT's corporate website at <https://www.eagleht.com> for the latest updates on the status of the EGM.

8. NO ABSTENTION FROM VOTING

No Stapled Securityholders are required to abstain from voting on the resolutions to be proposed at the EGM.

9. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER IN RESPECT OF THE PROPOSED BASE FEE SUPPLEMENT (EH-REIT) AS AN INTERESTED PERSON TRANSACTION

9.1 IFA

For the avoidance of doubt, the Managers were not involved in the negotiations and discussions relating to the Proposed Base Fee Supplement (EH-REIT) nor the appointment of the IFA to advise on the Proposed Base Fee Supplement (EH-REIT) as an Interested Person Transaction in respect of the New REIT Manager.

The EH-REIT Trustee has appointed Provenance Capital Pte. Ltd. as the IFA to advise the EH-REIT Trustee and the Stapled Securityholders in relation to the Proposed Base Fee Supplement (EH-REIT) as an Interested Person Transaction in respect of the New REIT Manager. A copy of the IFA Letter to the EH-REIT Trustee and the Stapled Securityholders containing its advice in full in relation to the Proposed Base Fee Supplement (EH-REIT) as an Interested Person Transaction in respect of the New REIT Manager is set out in Appendix A to this Circular and Stapled Securityholders are advised to read the IFA Letter carefully.

9.2 Advice of the IFA

In arriving at its recommendation, the IFA has taken into account several key considerations, set forth in Paragraph 7 of the IFA Letter. Stapled Securityholders should read Paragraph 7 of the IFA Letter in conjunction with, and in the context of, the full text of the IFA Letter.

Based upon, and having considered, *inter alia*, the factors described at Paragraph 7 of the IFA Letter as a whole, and the information that has been made available to the IFA as at the Latest Practicable Date, the IFA is of the opinion that as at the Latest Practicable Date, the Proposed Base Fee Supplement (EH-REIT) as an Interested Person Transaction (which includes the Suspension Issue Price Clarification) is on normal commercial terms and is not prejudicial to the interests of EHT and its minority Stapled Securityholders.

An extract of the IFA's opinion is set out in italics below. Stapled Securityholders should read the extract below in conjunction with, and in the context of, the full text of the IFA Letter. All

LETTER TO STAPLED SECURITYHOLDERS

terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

“In arriving at our opinion in respect of the Proposed Base Fee Structure as an IPT, we have reviewed and examined all factors which we consider to be pertinent in our assessment, including the following key considerations:

- (a) *our assessment of the rationale for the Proposed Base Fee Structure;*
- (b) *the basis of determining the Minimum Fee;*
- (c) *comparison of Proposed Base Fee Structure with other relevant REITs/business trusts listed on the SGX-ST; and*
- (d) *other relevant considerations.*

Overall, having considered the above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Base Fee Structure as an IPT (which includes the Suspension Issue Price Clarification) is on normal commercial terms and is not prejudicial to the interests of EHT and its minority Stapled Securityholders.”

10. RECOMMENDATIONS

10.1 Recommendation of the EH-REIT Trustee

In respect of the Proposed Change of Managers and Related Matters

The EH-REIT Trustee (based on the recommendation of its professional advisers), having considered the terms, the rationale and the benefits of the Proposed Change of Managers and Related Matters, is of the view that the Proposed Change of Managers and Related Matters is the most credible proposal to put forth to the Stapled Securityholders in the best interests of EHT.

In respect of the Termination Proposal (in respect of EH-REIT)

In the event that any of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 is not passed, given the consequences of an unsuccessful restructuring and recapitalisation of EHT, and having considered the terms, the rationale and the benefits of the proposed termination of EH-REIT and the consequences if Resolution 5 is not passed, the EH-REIT Trustee is of the view that that it is impracticable to continue with EHT, and accordingly recommend that the Stapled Securityholders vote in favour of the Extraordinary Resolution relating to the Proposed Termination of EH-REIT and Winding-up of EH-BT in the event that such resolution is put forth before the Stapled Securityholders to consider.

10.2 Recommendation of the Directors

In respect of the Proposed Change of Managers and Related Matters

In view of (a) the conflicts of interests which the Directors of the Managers may face or face arising from the Proposed Change of Managers and Related Matters and (b) the RFP Process being ran by the EH-REIT Trustee, the Directors of the Managers have abstained from making a recommendation on the resolutions relating to the Proposed Change of Managers and Related Matters (being Resolution 1, Resolution 2, Resolution 3 and Resolution 4).

LETTER TO STAPLED SECURITYHOLDERS

In respect of the Termination Proposal (in respect of EH-BT)

In the event that any of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 is not passed, and given the EH-REIT Trustee's view of the consequences of an unsuccessful restructuring and recapitalisation of EHT as set out in Paragraph 10.1 above and its recommendation that the Stapled Securityholders vote in favour of the Extraordinary Resolution relating to the Proposed Termination of EH-REIT and Winding-up of EH-BT, the Directors of the Managers are of the view that where the Stapled Securityholders were to vote in accordance with the recommendation of the EH-REIT Trustee, it would be impracticable or inadvisable to continue EH-BT in such circumstances. In such a scenario, where the Stapled Securityholders agree with the recommendation of the EH-REIT Trustee in respect of EHT, the Directors of the Managers correspondingly recommend, only to the extent that it relates to the voluntary winding-up of EH-BT, that the Stapled Securityholders vote in favour of the Extraordinary Resolution relating to the Proposed Termination of EH-REIT and Winding-up of EH-BT.

11. RESPONSIBILITY STATEMENT

11.1 Responsibility Statement by the Directors

The Directors (including any who may have delegated detailed supervision of this Circular) collectively and individually accept full responsibility for the accuracy of the information given in this Circular (other than information relating to the RFP Process (including, for the avoidance of doubt, Paragraph 1.4 of the Letter to Stapled Securityholders), the Proposed Change of Managers and Related Matters, the Termination Proposal, SCCPRE, the New Managers and the EH-REIT Trustee, including the information set out under Appendices A, B, C, D and F) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the EH-REIT Group and EH-BT, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. For the avoidance of doubt, the Directors do not accept any responsibility for the accuracy of the information given in this Circular relating to the RFP Process (including, for the avoidance of doubt, Paragraph 1.4 of the Letter to Stapled Securityholders), the Proposed Change of Managers and Related Matters, the Termination Proposal, SCCPRE, the New Managers and the EH-REIT Trustee, including the information set out under Appendix A, B, C, D and F.

Where information in this Circular has been extracted from or obtained from a named source (including SCCPRE, the New Managers, the EH-REIT Trustee, the IFA and the Independent Valuer), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

11.2 Responsibility Statement by the EH-REIT Trustee

To the best of the EH-REIT Trustee's knowledge and belief, Paragraphs 1.3, 2.2.1, 2.2.2, 2.2.8, 2.2.9 (excluding the views of SCCPRE), 2.2.10, 2.3.1, 2.3.3, 2.3.4, 2.5, 3 (excluding Paragraphs 3.2.2 and 3.5) and 4 of this Circular constitutes full and true disclosure of all material facts therein and the EH-REIT Trustee is not aware of any facts the omission of which would make any statement in Paragraphs 1.3, 2.2.1, 2.2.2, 2.2.8, 2.2.9 (excluding the views of SCCPRE), 2.2.10, 2.3.1, 2.3.3, 2.3.4, 2.5, 3 (excluding Paragraphs 3.2.2 and 3.5) and 4 of this Circular misleading. For the avoidance of doubt, the EH-REIT Trustee does not accept responsibility for the accuracy of the information given in this Circular (other than information relating to the Proposed Change of Managers and Related Matters and the Termination Proposal contained in Paragraphs 1.3, 2.2.1, 2.2.2, 2.2.8, 2.2.9 (excluding the views of SCCPRE), 2.2.10, 2.3.1, 2.3.3, 2.3.4, 2.5, 3 (excluding Paragraphs 3.2.2 and 3.5) and 4 of this Circular).

LETTER TO STAPLED SECURITYHOLDERS

Where information in this Circular relating to the Proposed Change of Managers and Related Matters and the Termination Proposal has been extracted from published or otherwise publicly available sources or obtained from a named source (including SCCPRE and the New Managers), the sole responsibility of the EH-REIT Trustee has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12. CONSENT

Each of the IFA and the Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter (in the case of the IFA) and the Valuation Summary (in the case of the Independent Valuer) and all references thereto, in the form and context in which they appear in this Circular.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, copies of the following documents will be made available for inspection during normal business hours at the Managers' registered office at 8 Marina Boulevard, #11-15/17, Marina Bay Financial Centre Tower 1, Singapore 018981 from the date of this Circular up to and including the date of the EGM. In view of the COVID-19 situation, prior appointment by email to enquiry@eagleht.com is required for the inspection of the following documents:

- (a) the Trust Deeds;
- (b) the IFA Letter set out in Appendix A to this Circular;
- (c) the Notice of Conditional Resignation set out in Appendix E to this Circular;
- (d) the Valuation Summary as set out in Appendix F to this Circular;
- (e) the valuation reports from the Independent Valuer in respect of each of the 18 Properties in EHT's portfolio; and
- (f) the letters of consent referred to in Paragraph 12 of this Letter to Stapled Securityholders.

Yours faithfully,

Eagle Hospitality REIT Management Pte. Ltd.
(as manager of Eagle Hospitality Real Estate Investment Trust)
(Company Registration Number: 201829789W)

Eagle Hospitality Business Trust Management Pte. Ltd.
(as trustee-manager of Eagle Hospitality Business Trust)
(Company Registration Number: 201929816K)

Mr. Davy Lau
Lead Independent Director and Independent Non-Executive Director

DBS Trustee Limited
(as trustee of Eagle Hospitality Real Estate Investment Trust)
(Company Registration Number: 197502043G)

PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

8 December 2020

To: DBS Trustee Limited
(in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust) (“**EH-REIT Trustee**”)

Stapled securityholders of Eagle Hospitality Trust (“**Stapled Securityholders**”)

Dear Sir / Mdm,

PROPOSED BASE FEE STRUCTURE OF THE NEW REIT MANAGER AS AN INTERESTED PERSON TRANSACTION

*Unless otherwise defined or the context otherwise requires, all terms used in this letter (“**Letter**”) have the same meanings as defined in the circular to the Stapled Securityholders of Eagle Hospitality Trust dated 8 December 2020 (“**Circular**”).*

1. INTRODUCTION

1.1 Eagle Hospitality Trust (“**EHT**”) is a hospitality stapled group comprising Eagle Hospitality Real Estate Investment Trust (“**EH-REIT**”, and together with its subsidiaries “**EH-REIT Group**”) and Eagle Hospitality Business Trust (“**EH-BT**”). EH-REIT is a Singapore-domiciled real estate investment trust constituted pursuant to a trust deed (“**EH-REIT Trust Deed**”) between Eagle Hospitality REIT Management Pte. Ltd., as manager of EH-REIT (“**EH-REIT Manager**”) and EH-REIT Trustee. EH-BT is a business trust constituted by a trust deed (“**EH-BT Trust Deed**”) and is managed by Eagle Hospitality Business Trust Management Pte. Ltd., the trustee-manager of EH-BT (“**EH-BT Trustee-Manager**”). EH-BT is currently dormant. The EH-REIT Manager and EH-BT Trustee-Manager are collectively referred to as the “**Managers**”. The securities of each of EH-REIT and EH-BT are stapled together and cannot be traded separately. Each stapled security (“**Stapled Security**”) comprises a unit in EH-REIT and a unit in EH-BT.

EH-REIT holds a portfolio of 18 hotel assets located in the United States of America (“**U.S.**”).

EHT was listed through an initial public offering of the Stapled Securities on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 24 May 2019. The trading of the Stapled Securities was halted on 19 March 2020 and has been voluntarily suspended since 24 March 2020. The Stapled Securities were last transacted at US\$0.137 prior to the trading halt on 19 March 2020. As at the Latest Practicable Date, EHT has 872,750,117 Stapled Securities in issue.

1.2 EHT had faced various difficulties, as announced by the Managers from March 2020 onwards including (a) various delinquencies on the part of the Master Lessees, (b) numerous defaults and/or termination of the relevant hotel management agreements and defaults of franchise agreements in respect of EHT’s properties, as a result of, amongst others, the Master Lessees’ failure to fulfil their obligations under the respective agreements, and (c) COVID-19 heavily impacting the U.S. hospitality industry and leading to weak market conditions. Due to these factors, 15 of the EHT’s properties were closed and the lack of rental/operating income has depleted EHT’s financial resources. These difficulties and circumstances have necessitated the need for a comprehensive restructuring of EHT’s business.

- 1.3 On 26 October 2020, the Monetary Authority of Singapore (“**MAS**”) issued a Notice of Intention indicating its intention to direct the EH-REIT Trustee to remove the EH-REIT Manager and appoint a new manager for EH-REIT pursuant to Section 286(14) of the Securities and Futures Act (Chapter 289) of Singapore (“**SFA**”), in view of the non-compliance by the EH-REIT Manager with certain provisions of, and requirements imposed under the SFA, and serious concerns over its ability to comply with MAS’ rules and regulations. On 30 November 2020, the MAS issued a direction to the EH-REIT Trustee directing the EH-REIT Trustee to remove the EH-REIT Manager within 1 month from 30 November 2020 (or any longer period as the MAS may approve in writing) and appoint a new manager for EH-REIT as soon as possible thereafter pursuant to Section 286(14) of the SFA.

On 1 December 2020, the EH-REIT Trustee announced SCCPRE Hospitality REIT Management Pte. Ltd. (“**SCCPRE HRM**”) as the proposed new manager of EH-REIT (“**New REIT Manager**”). It was subsequently announced that the EH-BT Trustee-Manager had given unitholders of EH-BT notice of its proposed resignation as the trustee-manager of EH-BT and it was proposed that SCCPRE Hospitality Business Trust Management Pte. Ltd. (“**SCCPRE HTM**”) be appointed as the new trustee-manager of EH-BT (“**New Trustee-Manager**”) (collectively the “**New Managers**”). The appointment of each of the New REIT Manager and the New Trustee-Manager is subject to, *inter alia*, the approval of the Stapled Securityholders at the forthcoming extraordinary general meeting (“**EGM**”) by way of separate ordinary resolutions (“**Resolution 1**” and “**Resolution 3**”) respectively.

The New Managers are part of the “**SC Group**”, which is the group of entities which are controlled and owned by Mr Suchad Chiaranussati (either singly and/or together with his partners). The New Managers and their associates do not have any interest in the Stapled Securities as at the Latest Practicable Date.

- 1.4 In conjunction with the appointment of the New Managers, certain terms of the management base fee payable to the manager of EH-REIT under the EH-REIT Trust Deed are being proposed and/or amended.

In brief, the current base fee payable to the EH-REIT Manager is computed as 10.0% per annum of the Annual Distributable Income, as defined in the EH-REIT Trust Deed and which is calculated before accounting for the base fee and performance fee (“**Current Base Fee**”).

As part of the Proposed Change of Managers and Related Matters, it is proposed for the EH-REIT Trust Deed to be amended, modified and supplemented by the proposed base fee to incorporate a minimum fee (“**Proposed Base Fee Structure**”), for the next 3 financial years commencing from the later of (a) the date of appointment of the New REIT Manager as the manager of EH-REIT, and (b) 1 January 2021 (“**Effective Date**”) and ending on 31 December 2023, i.e. FY2021 (if relevant, pro-rated from the Effective Date to 31 December 2021), FY2022 and FY2023. The base fee payable to the New REIT Manager will be the higher of:

- (a) the Minimum Fee; and
- (b) 10.0% per annum (or such lower percentage as may be determined by the New REIT Manager in its absolute discretion) of the Annual Distributable Income.

The **Minimum Fee** means the minimum REIT Base Fee which the New REIT Manager shall be entitled to receive from the Effective Date in respect of FY2021, FY2022 and FY2023, being the sum of US\$4.5 million per annum (and for FY2021, if relevant, such sum shall be pro-rated by dividing US\$4.5 million by the number of days between (and including) the Effective Date and the end of FY2021) less any base fee that is paid to the New Trustee-Manager under the EH-BT Trust Deed for the relevant period. The formula of the Minimum Fee ensures that there is no double-counting across the EH-REIT and EH-BT, and ensures that the aggregate minimum base fees payable to the New Managers under both the EH-REIT Trust Deed and EH-BT Trust Deed will not exceed the sum of US\$4.5 million per annum.

APPENDIX A – IFA LETTER

The effective date of appointment of the New REIT Manager will be after the approval of the Stapled Securityholders of such appointment as well as other inter-conditional approvals by the Stapled Securityholders as set out in Section 1.5 below has been obtained.

For the avoidance of doubt, on and from 1 January 2024, the base fee will revert to the formula of the Current Base Fee.

The Proposed Base Fee Structure is subject to the approval of the Stapled Securityholders by way of an Extraordinary Resolution ("**Resolution 2**") pursuant to Clause 28.2 of the EH-REIT Trust Deed and Chapter 3.2(f) of the Code on Collective Investment Schemes.

In view that the Proposed Base Fee Structure is being proposed in conjunction with the appointment of the New REIT Manager, the New REIT Manager is considered as an Interested Person and the Proposed Base Fee Structure constitutes an Interested Person Transaction ("**IPT**"), as defined under Chapter 9 of the SGX-ST Listing Manual ("**Listing Manual**"), as well as an interested party transaction pursuant to paragraph 5 of the Property Funds Appendix. Accordingly, the Proposed Base Fee Structure is subject to the approval of the Stapled Securityholders and the opinion of the Independent Financial Adviser ("**IFA**") on whether or not the IPT is on normal commercial terms and prejudicial to the interests of EHT and its minority Stapled Securityholders.

For the initial 2 financial years, i.e. FY2021 and FY2022, the New Managers agree for their base fees to be paid in the form of Stapled Securities instead of cash to, *inter alia*, conserve cash balances of EHT. Hence, EHT is also seeking approval from the Stapled Securityholders the authority for the issuance of up to 140,000,000 new Stapled Securities for the payment of the base fees to the New Managers in respect of FY2021 and FY2022, by way of an ordinary resolution ("**Resolution 4**").

- 1.5** Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are inter-conditional on the passing of each other. This means that in the event that any of the resolutions is not passed, none of the resolutions will be carried and none of these resolutions will be proceeded with. Under this scenario, the termination proposal ("**Termination Proposal**") under Resolution 5 will be put forth for voting. Resolution 5 is to seek Stapled Securityholders' approval for the proposed (a) voluntary delisting of EHT, (b) voluntary termination and winding-up of EH-REIT and (c) voluntary winding-up of EH-BT by way of an extraordinary resolution.
- 1.6** Provenance Capital Pte. Ltd. ("**Provenance Capital**") has been appointed as the IFA to provide its opinion on the Proposed Base Fee Structure as an IPT (Resolution 2).

This Letter is issued pursuant to Rule 921(4)(a) of the Listing Manual and sets out, *inter alia*, our evaluation and opinion on the Proposed Base Fee Structure as an IPT and forms part of the Circular which provides, *inter alia*, details of the IPT. This Letter is attached as Appendix A to the Circular.

In view of the inherent irreconcilable conflicts of interests which the Directors of the existing Managers face arising from the 4 resolutions relating to the Proposed Change of Managers and Related Matters (i.e. Resolution 1, Resolution 2, Resolution 3 and Resolution 4), the Directors of the Managers have abstained from making a recommendation on these 4 resolutions.

We note that the New Managers and their associates do not have any interest in the Stapled Securities as at the Latest Practicable Date. As such, all the Stapled Securityholders are deemed independent for the purpose of the Proposed Base Fee Structure as an IPT and our Letter. Accordingly, our Letter is addressed to the EH-REIT Trustee and the Stapled Securityholders.

2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA pursuant to Rule 921(4)(a) of the Listing Manual to advise the EH-REIT Trustee and the Stapled Securityholders in respect of the Proposed Base Fee Structure as an IPT. We are not and were not involved in or responsible for, in any aspect, the discussions in relation to the IPT, nor were we involved in the deliberations leading up to the decision on the part of the EH-REIT Trustee (as agreed with the New Managers) to propose the IPT, and we do not, by this Letter, warrant the merits of the IPT, other than to express an opinion on whether the IPT is on normal commercial terms and is not prejudicial to the interests of EHT and the minority Stapled Securityholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the IPT or to compare their relative merits *vis-à-vis* alternative transactions previously considered by EHT, the EH-REIT Trustee or the Managers (if any) or that may otherwise be available to EHT, the EH-REIT Trustee or the Managers of EHT currently or in the future, and we have not made such evaluation or comment. Such evaluation or comment, if any, remains the responsibility of the EH-REIT Trustee although we may draw upon the views of the EH REIT Trustee (in consultation with its professional advisers) or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have held discussions with the EH-REIT Trustee, the New Managers and/or their professional advisers (where applicable) and have examined and relied on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the New Managers (only in respect of information relating to the New Managers and the Proposed Base Fee Structure), EH-REIT Trustee (only in respect of information relating to the EH-REIT Trustee, the IPT and the information in the Circular for which the EH-REIT Trustee has accepted responsibility) and/or their professional advisers (where applicable), including information contained in the Circular. Whilst reasonable care has been exercised in reviewing the information which we have relied upon, we have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have nevertheless made such reasonable enquiries and judgment on the reasonable use of such information, as were deemed necessary, and have not found any reasonable basis to doubt the accuracy or reliability of the information and representations.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made in the Circular in relation to the IPT have been reasonably made after due and careful enquiry. Whilst reasonable care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, as were deemed necessary, and have not found any reasonable basis to doubt the accuracy or reliability of the information and representations.

Save as disclosed, we would like to highlight that all information relating to the IPT, EHT, the EH-REIT Group, the Managers and the New Managers which we have relied upon in arriving at our opinion has been obtained from the Circular, publicly available information and/or from the Managers (only in respect of information in the Circular and publicly available information relating to EHT and the Managers, in each case, for which the Managers have accepted responsibility), the EH-REIT Trustee (only in respect of information relating to the EH-REIT Trustee, the IPT and the information in the Circular for which the EH-REIT Trustee has accepted responsibility), the New Managers (only in respect of information relating to the New Managers and the Proposed Base Fee Structure) and their professional advisers (where applicable). We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair

APPENDIX A – IFA LETTER

position of the financial, operational and business affairs of EHT and/or the EH-REIT Group at any time or as at the Latest Practicable Date. We have nevertheless made reasonable enquiries and exercised our judgment on the reasonable use of such information, as were deemed necessary, and have not found any reasonable basis to doubt the accuracy or reliability of the information and representations.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of EHT and/or the EH-REIT Group, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of EHT and/or the EH-REIT Group after the IPT. We have not obtained from EHT and/or the EH-REIT Group any projection of the future performance including financial performance of EHT and/or the EH-REIT Group, and we did not conduct discussions with the Directors of the Managers, the Management of the Managers, the New Managers and/or the EH-REIT Trustee on, and did not have access to, any business plan and financial projections of EHT and/or the EH-REIT Group.

In addition, we are not expressing any view herein as to the prices at which the Stapled Securities may trade or the future value, financial performance or condition of EHT and/or the EH-REIT Group, upon or after the completion of the IPT or if EHT does not proceed with the IPT. Trading of the Stapled Securities is currently suspended on the SGX-ST. Stapled Securityholders should take note of the inter-conditionality of Resolution 1, Resolution 2, Resolution 3 and Resolution 4, and the Termination Proposal under Resolution 5 if any of the first 4 resolutions is not passed.

Our opinion as set out in this Letter is based upon the market, economic, industry, monetary and other conditions (if applicable) prevailing as at the Latest Practicable Date and the information and representations provided and available to us as at the Latest Practicable Date. In arriving at our opinion, with the consent of the EH-REIT Trustee, we have taken into account certain factors and have made certain assumptions as set out in this Letter. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Stapled Securityholders should take note of any announcements relevant to the IPT which may be released by the Managers and/or the EH-REIT Trustee after the Latest Practicable Date.

In rendering our advice and giving our recommendations, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Stapled Securityholders or any specific group of the Stapled Securityholders. As each Stapled Securityholder may have different investment objectives and profiles, we recommend that any individual Stapled Securityholder or group of Stapled Securityholders who may require specific advice in relation to his or their investment portfolio(s) or objective(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

EHT, the EH-REIT Group, the Managers and the EH-REIT Trustee have been separately advised by their own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (other than this Letter).

Whilst a copy of this Letter may be reproduced in the Circular, neither EHT, the EH-REIT Group, the Directors, the Managers, the EH-REIT Trustee nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any purposes, other than at the forthcoming EGM and for the purpose of the IPT, at any time and in any manner, without the prior written consent of Provenance Capital in each specific case.

We have prepared this Letter pursuant to Rule 921(4)(a) of the Listing Manual for the use of EH-REIT Trustee in connection with their consideration of the IPT. Our Letter is also addressed to the Stapled Securityholders.

Our opinion in relation to the IPT should be considered in the context of the entirety of this Letter and the Circular.

Responsibility Statement by the EH-REIT Trustee

The EH-REIT Trustee has confirmed that, to the best of its knowledge and belief, all material information relating to the IPT provided to us is true, complete and accurate in all material respects and there is no other information or fact, the omission of which would cause any information disclosed to us to be inaccurate, incomplete or misleading in any material respect.

The EH-REIT Trustee accepts responsibility accordingly.

3. INFORMATION ON EHT

3.1 EHT is a hospitality stapled group comprising the EH-REIT and EH-BT.

EH-REIT is a Singapore-domiciled real estate investment trust constituted pursuant to the EH-REIT Trust Deed between the EH-REIT Manager and EH-REIT Trustee. EH-BT is a business trust constituted by the EH-BT Trust Deed and is managed by EH-BT Trustee-Manager. EH-BT is currently dormant. The EH-REIT Manager and EH-BT Manager are collectively referred to as “**Managers**”. The securities of each of EH-REIT and EH-BT are stapled together and cannot be traded separately. Each Stapled Security comprises a unit in EH-REIT and a unit in EH-BT.

The current Manager of EH-REIT and EH-BT is Eagle Hospitality REIT Management Pte. Ltd. and Eagle Hospitality Business Trust Management Pte. Ltd. respectively. The trustee of EH-REIT is DBS Trustee Limited.

EHT was listed through an initial public offering of the Stapled Securities on the Main Board of the SGX-ST on 24 May 2019. The trading of the Stapled Securities was halted on 19 March 2020 and has been voluntarily suspended since 24 March 2020. The Stapled Securities were last transacted at US\$0.137 prior to the trading halt on 19 March 2020. As at the Latest Practicable Date, EHT has 872,750,117 Stapled Securities in issue. Based on the above, the market capitalisation of EHT prior to the trading halt and suspension was approximately US\$119.6 million.

3.2 As at the Latest Practicable Date, Mr Tang Yigang @ Gordon Tang and his wife, Mdm Chen Huaidan @ Celine Tang, have an aggregate interest of 11.51% in the Stapled Securities. In addition, Mr Tang’s mother, Ms Yang Chanzhen @ Janet Yeo has an interest of 5.88% in the Stapled Securities. The Tang family has a combined interest of 17.38% in the Stapled Securities.

Mr Howard Chorng Jeng Wu (“**Mr Howard Wu**”) and Mr Taylor Ronald Woods (“**Mr Taylor Woods**”) are also Substantial Stapled Securityholders with respective interests of 6.09% and 7.57% in the Stapled Securities. Mr Howard Wu was the former Non-Independent Non-Executive Chairman and Mr Taylor Woods was the former Non-Independent Non-Executive Vice-Chairman of the Managers. They had resigned as Directors of the Managers with effect from 26 May 2020.

APPENDIX A – IFA LETTER

Mr Howard Wu and Mr Taylor Woods are co-founders and joint owners of EHT's sponsor, Urban Commons, LLC ("**Sponsor**" or "**Urban Commons**") as well as the indirect owners of the EH-REIT Manager and EH-BT Trustee-Manager. Subsidiaries of Urban Commons were the Master Lessees of the hotels owned by the EH-REIT Group.

The current Board of Directors of the Managers, who also form the Special Committee, are as follows:

- (i) Mr Davy Lau, Lead Independent Director;
- (ii) Mr Tarun Kataria, Independent Non-Executive Director;
- (iii) Mr Tan Wee Peng Kelvin, Independent Non-Executive Director; and
- (iv) Mr Salvatore G. Takoushian, Executive Director and Chief Executive Officer.

As at the Latest Practicable Date, Mr Salvatore G. Takoushian has an interest in 10,256,000 Stapled Securities, representing 1.18% of the total number of issued Stapled Securities.

3.3 EHT had faced various difficulties, as announced by the Managers from March 2020 onwards including (a) various delinquencies on the part of the Master Lessees, (b) numerous defaults and/or termination of the relevant hotel management agreements and defaults of franchise agreements in respect of EHT's properties, as a result of, amongst others, the Master Lessees' failure to fulfil their obligations under the respective agreements, and (c) COVID-19 heavily impacting the U.S. hospitality industry and leading to weak market conditions. Due to these factors, 15 of the EHT's properties were closed and the lack of rental/operating income has depleted EHT's financial resources. These difficulties and circumstances have necessitated the need for a comprehensive restructuring of the EHT's business.

During this period, the Special Committee (which currently comprises members of the current Board as listed in Section 3.2 above) was established and professional advisers were appointed to advise on the strategic review of EHT's business. Moelis & Company LLC and Moelis & Company Asia Limited (collectively "**Moelis**") was appointed as the professional financial adviser to the Managers and the EH-REIT Trustee on 26 April 2020 to undertake the strategic review of EHT's business, including advising on available options to achieve the best possible outcomes for the Stapled Securityholders.

EHT holds a portfolio of 18 full-service hotel properties consisting of 9 upper upscale hotels, 5 upscale hotels and 4 upper midscale hotels ("**Hotels**") located in the U.S., with a total of 5,420 rooms. Currently, 15 of these Hotels are closed and the remaining 3 Hotels are still in operation. The listing of these Hotels is as follows:

	Hotels not in operations currently	Location in U.S.
1.	Sheraton Pasadena	Pasadena, California
2.	Holiday Inn Hotel & Suites Anaheim	Anaheim, California
3.	Embassy Suites by Hilton Anaheim North	Anaheim, California
4.	Holiday Inn Hotel & Suites San Mateo	San Mateo, California
5.	Four Points by Sheraton San Jose Airport	San Jose, California
6.	The Westin Sacramento	Sacramento, California
7.	Embassy Suites by Hilton Palm Desert	Palm Desert, California
8.	The Queen Mary Long Beach	Long Beach, California

APPENDIX A – IFA LETTER

9.	Sheraton Denver Tech Centre	Denver, Colorado
10.	Holiday Inn Resort Orlando Suites – Waterpark	Orlando, Florida
11.	Crowne Plaza Dallas Near Galleria – Addison	Dallas, Texas
12.	Hilton Houston Galleria Area	Houston, Texas
13.	Crowne Plaza Danbury	Danbury, Connecticut
14.	Doubletree by Hilton Salt Lake City Airport	Salt Lake City, Utah
15.	Hilton Atlanta Northeast	Atlanta, Georgia

	Hotels in operations currently	Location in U.S.
1.	Holiday Inn Denver East – Stapleton	Denver, Colorado
2.	Renaissance Denver Stapleton	Denver, Colorado
3.	Delta Hotels by Marriott Woodbridge	Woodbridge, New Jersey

In brief, the Master Lessors (being subsidiaries of EH-REIT) had terminated the master lease agreements with the Master Lessees of all the 18 Hotels and the Master Lessors will not generate any rental income as landlord of the properties under the master lease construct as there is no longer a tenant for these properties. Instead, the intention is for EHT to manage and operate the open Hotels (including any other Hotels that may re-open in the near future) directly, and the closed Hotels under temporary caretaker arrangements for the time being.

3.4 On 26 October 2020, MAS had issued a Notice of Intention indicating its intention to direct the EH-REIT Trustee to remove the EH-REIT Manager and appoint a new manager pursuant to Section 286(14) of the SFA in view of the non-compliance by the EH-REIT Manager with certain provisions of, and requirements imposed under, the SFA, and serious concerns over its ability to comply with MAS' rules and regulations. On 30 November 2020, the MAS issued a direction to the EH-REIT Trustee directing the EH-REIT Trustee to remove the EH-REIT Manager within 1 month from 30 November 2020 (or any longer period as the MAS may approve in writing) and appoint a new manager for EH-REIT as soon as possible thereafter pursuant to Section 286(14) of the SFA.

The EH-REIT Trustee (based on the recommendation of its professional advisers) had considered the proposal from the SC Group to be the most credible proposal to be put forth to Stapled Securityholders.

On 1 December 2020, the EH-REIT Trustee announced SCCPRE HRM as the proposed New REIT Manager. It was subsequently announced that the EH-BT Trustee-Manager had given unitholders of EH-BT notice of its proposed resignation as the trustee-manager of EH-BT and it was proposed that SCCPRE HTM be appointed as the New Trustee-Manager of EH-BT. The appointment of each of the New REIT Manager and the New Trustee-Manager is subject to, *inter alia*, the approval of the Stapled Securityholders of Resolutions 1 to 4 at the forthcoming EGM.

In conjunction with the appointment of the New Managers, certain terms of the management base fee payable to the manager of EH-REIT under the EH-REIT Trust Deed are being proposed and/or amended. These are being put forth for approval by the Stapled Securityholders at the same EGM as Resolution 2.

In summary, the Proposed Change of Managers and Related Matters are being subject to approval of the Stapled Securityholders at the EGM by way of the passing of Resolution 1, Resolution 2, Resolution 3 and Resolution 4, which are inter-conditional upon the passing of each other.

The key reasons for selecting the SC Group as the proposed New Managers are summarised as follows:

(a) Relevant experience and track record of the SC Group

The SC Group possesses the relevant experience to turnaround and manage EHT.

(b) A focus on the long-term rehabilitation of EHT

The business plan of the New Managers is to have a two-phased process of (i) stabilisation – to re-possess, re-open and commence operations of the Hotels and return them to stabilisation and (ii) growth – to achieve long term growth to deliver regular and stable distribution to Stapled Securityholders.

(c) Ability to procure critical capital investment via the proposed bridge facility of up to US\$125 million

Certain key lenders are supportive of the proposed appointment of the New Managers and EHT is in discussion with these key lenders to extend a proposed bridge facility of up to US\$125 million with a consortium of lender banks (“**Proposed Bridge Facility**”). The rehabilitation of EHT is heavily reliant on the Proposed Bridge Facility to fund the working capital of the Hotels as EHT has limited cash resources currently and is unable to generate sufficient operating income from its properties to fund the costs expected to be incurred to reopen the Hotels, capex and other working capital requirements.

The terms of the Proposed Bridge Facility are subject to finalisation and execution of definitive documentation.

(d) Minimal dilution impact to Stapled Securityholders

The New Managers proposal presents a key benefit of preserving value within EHT with minimal dilution impact to Stapled Securities as it does not contemplate any immediate equity fund raising in weak market conditions and any debt fund raisings at interest rates which would be expensive in the context of EHT as a borrower. Any equity raisings that may occur in the near future will be subject to the review of prevailing market conditions.

In addition, the New Managers agree to receive their base fees (which incorporate the Minimum Fee) in the form of Stapled Securities for FY2021 and FY2022. While this may have some dilutive impact on Stapled Securityholders, the payment of base fees in the form of Stapled Securities will preserve cash flows for operational and working capital purposes, and strengthen the alignment of interest of the New Managers with that of the Stapled Securityholders.

Further details of the EH-REIT Trustee’s considerations in selecting the SC Group as the proposed New Managers are set out in Section 1.3 of the Circular.

3.5 Latest results announcement of EHT

EHT’s financial statements for the financial period from the date of constitution to 31 December 2019 (“**FY2019**”) are set out in its first annual report issued on 14 August 2020. Its auditors, KPMG LLP, had issued a “Disclaimer of Opinion” report on the audit of the financial statements of EHT as KPMG LLP have not been able to obtain sufficient appropriate audit evidence to

APPENDIX A – IFA LETTER

provide a basis for an audit opinion on the financial statements. Details of the basis for the Disclaimer of Opinion are set out in the above Annual Report.

On 13 November 2020, the Managers had released the results announcement on EHT for the third quarter 2020 (“**3Q2020**”) and 9 months ended 30 September 2020 (“**9M2020**”).

The Managers had disclosed in the 9M2020 results the significant events during the reported 9M2020 period and significant events after the reported period in relation to the material developments affecting EHT.

A summary of the key financial information of EHT for 9M2020 is set out in the table below:

US\$'000	9M2020 (Unaudited)
<u>Consolidated Statement of Comprehensive Income</u>	
Revenue	48,869
Property expenses	(8,181)
Net property income	40,688
REIT Manager's management fees	-
REIT Trustee's fees	(149)
Other trust expenses	(18,719)
Caretaker expenses	(9,972)
Other income	48,472
Net finance costs	(22,884)
Loss on termination of interest rate swap	(18,283)
Impairment loss on trade and non-trade receivables	(88,460)
(Loss)/Profit before tax and change in fair value	(69,307)
Net fair value change in investment properties	(535,291)
(Loss)/Profit before tax	(604,598)
Tax expense	(125)
(Loss)/Profit for the period	(604,723)
<u>Distribution Statement</u>	
(Loss)/Profit for the period	(604,723)
Distribution adjustments	604,723
Income available for distribution to Stapled Securityholders	-

EHT had recorded a significant loss before tax and change in fair value of US\$69.3 million for 9M2020. Accordingly, there is no management fee for the Managers due to nil distributable income for 9M2020.

In comparison for FY2019, management fee of US\$3.0 million was paid to the Managers for the period from the listing date of 24 May 2019 to 31 December 2019 in the form of 4,862,118 Stapled Securities at issue prices ranging from US\$0.55 to US\$0.70 per Stapled Security.

For 9M2020, EHT had recorded net fair value loss of US\$535.3 million in its investment properties arising from the valuation performed on the EHT's properties by the independent valuers, Colliers International Consultancy & Valuation (Singapore) Pte Ltd (“**Colliers**”), as at 31 August 2020. The net fair value loss of US\$534.2 million was recognised in the financial results for 3Q2020.

As a result, EHT had a loss of US\$604.7 million for 9M2020.

APPENDIX A – IFA LETTER

US\$'000	As at 30 September 2020 (Unaudited)
<u>Statement of Financial Position</u>	
<u>Assets</u>	
Non-current asset	
Investment properties	733,780
	733,780
Current assets	
Trade and other receivables	6,541
Cash and cash equivalents	38,622
	45,163
Total assets	778,943
<u>Liabilities</u>	
Non-current liabilities	
Trade and other payables	14,250
Loans and borrowings	86,714
Lease liabilities	6,836
Deferred tax liabilities	39,561
	147,361
Current liabilities	
Trade and other payables	84,154
Loans and borrowings	398,420
Lease liabilities	25
Current tax liabilities	85
	482,684
Total liabilities	630,045
Stapled Securityholders' funds	148,898
Number of Stapled Securities as at 30 September 2020	872,750,117
NAV/NTA per Stapled Security	US\$0.17

Assets

Total assets as at 30 September 2020 amounted to US\$778.9 million, which comprise mainly investment properties of US\$733.8 million. These investment properties had suffered a significant decline in fair valuation of 42.1% as at 30 September 2020 compared to its value of US\$1,267.5 million as at 31 December 2019. These include the recognition of right-of-use asset arising from the adoption of IFRS 16 in relation to EHT's operating lease that qualifies as an investment property and accounting for rental income on a straight-line basis.

The fair value loss on the properties was due to, *inter alia*, the negative impact of COVID-19 on property operating metrics, significantly lower earnings projection and higher discount rates being applied to the properties, and the removal of the master lease arrangements in relation to the properties, and the increase in capital expenditures required for the properties. The outbreak of COVID-19 has resulted in significant market uncertainty and unprecedented disruptions in the U.S. lodging industry, which EHT operates in. Consequently, the valuation of the properties is subject to material estimation uncertainty, and which may vary or change significantly.

Valuation of the properties upon stabilisation

Announcement on 6 November 2020

The Managers had disclosed in its announcement on 6 November 2020 the valuation of the 18 Hotels on an "as is" basis as at 31 August 2020 and "upon stabilisation" basis by Colliers.

The valuation of the Hotels on an “as is” basis as at 31 August 2020 was US\$726.9 million and on “upon stabilisation” basis was US\$899.6 million.

The “upon stabilisation” basis was provided due to the impact of COVID-19 to take into consideration prevailing unusual market circumstances, and the valuations of these Hotels if they were operating at a fully stabilised level post-COVID. Stabilisation of the Hotels is anticipated in and around 2022 to 2024, and the values are stated as future values at US\$899.6 million (US\$837.0 million in today’s values).

Disclosure in the Circular

Further clarification by the Valuer on the valuation of the properties on a “upon stabilisation” basis is disclosed as a footnote to Section 1.2.7 of the Circular, as extracted below:

“Due to the impact of COVID-19, the Independent Valuer has included an Upon Stabilisation value for the Properties. This is to reflect the current situation whereby owners are not under pressure to sell at discounted values, unless under duress, and are therefore prepared to hold assets in the near term in anticipation of the bid ask gap narrowing, in terms of pricing, and as values recover. Under the stabilised basis, the Properties are valued as if they were operating at a fully stabilised level as of the date of the Independent Valuer’s inspection, post-COVID-19. It should be noted that stabilisation does not imply a return to pre-COVID-19 levels but that the Property is achieving its fair market share and has reached its mature level of operation in a recovered market. The Independent Valuer’s valuation of EHT’s portfolio as at 31 August 2020 was prepared without any assumptions of master lease arrangements and based on the anticipated income generated at the property level on a flow through basis to EHT.”

Liabilities

Total liabilities as at 30 September 2020 amounted to US\$630.0 million, of which loans and borrowings amounting to US\$485.1 million. EHT had received notices of default, termination and/or demands for payment from its lenders. Its aggregate leverage as defined in the Property Funds Appendix as at 30 September 2020 was 65.5% (excluding accrued and default interest but including the termination cost of the BotW Swap Agreement) based on the “as is” valuation of the properties, as disclosed in Section 1.2.7 of the Circular.

NAV

Accordingly, as at 30 September 2020, the net asset value/net tangible asset (“NAV”/“NTA”) of EHT was US\$148.9 million (US\$0.17 per Stapled Security). This is a decline of 80.9% from the NAV/NTA of US\$779.1 million (US\$0.89 per Stapled Security) as at 31 December 2019.

4. INFORMATION ON THE NEW MANAGERS

Detailed information on the New Managers is set out in Section 2 of the Circular. The salient information is set out below.

4.1 Background of the SC Group

The New Managers are part of the SC Group which is the group of entities controlled and owned by Mr Suchad Chiaranussati (either singly and/or together with his partners). The SC Group has considerable experience in real estate investments in Asia and in REITS, and includes the following entities:

- (i) SC Capital Partners Pte. Ltd. (“**SC Capital Partners**”), fund manager focussed on real estate investments in the Asia Pacific; and

- (ii) the REIT managers of 2 listed REITs in Asia, namely Japan Hotel REIT Investment Corporation (“**JHR**”) and Thailand Prime Property Freehold and Leasehold REIT (“**TPrime REIT**”).

As at the Latest Practicable Date, taking into account the funds managed by SC Capital Partners and the assets of JHR and TPrime REIT, the SC Group has more than US\$7.3 billion in assets under management.

Further details of the SC Group, SC Capital Partners, JHR and TPrime REIT are set out in Section 2.1 of the Circular.

The New Managers and their associates do not have any interest in the Stapled Securities as at the Latest Practicable Date.

4.2 Information on the New Managers

SCCPRE HRM is proposed to be appointed as the New REIT Manager and SCCPRE HTM is proposed to be appointed as the New Trustee-Manager. SCCPRE HRM and SCCPRE HTM are each incorporated under the Companies Act in Singapore on 5 August 2020.

Currently, EH-BT is dormant. However, after the appointment of the New Trustee-Manager, EH-BT may be activated (through wholly-owned OpCos) to be the master lessees of the Hotels and to hold the operating contracts, operations and permits and licences which were previously held by the Master Lessees. Accordingly, the New Trustee-Manager may manage an active business trust.

In connection with the appointment of the New Managers, the name of EH-REIT, EH-BT and EHT will be changed to “SCCP Hospitality Real Estate Investment Trust”, “SCCP Hospitality Business Trust” and “SCCP Hospitality Trust” respectively.

The New REIT Manager may also incorporate a wholly-owned subsidiary in the U.S. to carry out activities in the U.S. as may be required, under a services agreement. Such services agreement will provide for a portion of the management fee of the New REIT Manager to be allocated to be paid to this subsidiary in the U.S., at the New REIT Manager’s discretion, but any fees payable to the subsidiary of the New REIT Manager will be deducted from the management fees payable to the New REIT Manager so there will not be double counting.

The New Managers have certain objectives in resolving the issues impacting EHT, through a 2-step process, firstly to stabilise EHT in the near term and secondly to achieve growth in the medium to long term:

- (1) Stabilisation – the New Managers’ priorities in the near term will be to regain possession and control of the properties, secure capital investment primarily via debt, activate EH-BT to internalise the operations of the Hotels and to re-open those Hotels that are currently closed and to stabilise EHT’s operations, eventually with the aim of lifting the trading suspension of the Stapled Securities.
- (2) Growth – in the medium to long term after the outstanding issues have been resolved and operations of EHT has been stabilised, the New Managers will seek to deliver regular and stable distributions and to achieve long-term growth. This will be done via, *inter alia*, proactive asset management and enhancement, investment and acquisition and capital management.

APPENDIX A – IFA LETTER

In order to avoid any differences or deadlock in the operations of EH-REIT and EH-BT, the New Managers will have the same composition of Board of Directors as follows:

Board of Directors	Designation
Mr Alan Koh Thiam Hock	Independent Non-Executive Chairman
Mr Suchad Chiaranussati	Non-Independent Non-Executive Director
Mr Loh Hwee Long (Luo Hui Long)	Chief Executive Officer and Executive Director
Ms Wenning Jung	Independent Non-Executive Director
Ms Choo Wai Hong	Independent Non-Executive Director

The composition of the New Managers' management team will also be the same (save for Mr Michael Liu who will be employed by the New REIT Manager only) as follows:

Key Management Team	Designation
Mr Loh Hwee Long (Luo Hui Long)	Chief Executive Officer
Mr Johnnie Tng Chin Hwee	Chief Financial Officer
Mr Michael C. Liu	Chief Operating Officer / Head of Asset Management
Ms Emma Tan Bee San	Senior Finance Manager

Further information on the above Directors and Management is set out in Appendix B and Appendix C to the Circular.

4.3 Approvals

In connection with the removal of the current EH-REIT Manager, the proposed resignation of the EH-BT Trustee-Manager and the proposed appointments of the New Managers, EHT has obtained or is in the process of obtaining approvals from the relevant stakeholders including MAS and certain key lenders as set out in Sections 2.2.10 and 2.4.9 of the Circular.

5. PROPOSED BASE FEE STRUCTURE

Details of the Proposed Base Fee Structure are set out in Section 2.3 of the Circular. The salient information is set out below.

5.1 The Current Base Fee payable to the EH-REIT Manager is computed as 10.0% per annum of the Annual Distributable Income, as defined in the EH-REIT Trust Deed and which is calculated before accounting for the base fee and performance fee.

In view of the current circumstances impacting EHT, the Annual Distributable Income of EH-REIT is expected to remain extremely low in the near to mid-term until the New Managers have stabilised the operations and performance of the Hotels and EHT.

Hence, as part of the Proposed Change of Managers and Related Matters, it is proposed that the EH-REIT Trust Deed be amended, modified and supplemented to reflect the Proposed Base Fee Structure, i.e. for the base fee to incorporate the Minimum Fee of US\$4.5 million per annum, from the Effective Date for the next 3 financial years, FY2021, FY2022 and FY2023. The base fee payable to the New REIT Manager will be the higher of:

- (a) the Minimum Fee; and
- (b) 10.0% per annum (or such lower percentage as may be determined by the New REIT Manager in its absolute discretion) of the Annual Distributable Income.

The **Minimum Fee** means the minimum REIT Base Fee which the New REIT Manager shall be entitled to receive from the Effective Date in respect of FY2021, FY2022 and FY2023, being the sum of US\$4.5 million per annum (and for FY2021, if relevant, such sum shall be pro-rated by dividing US\$4.5 million by the number of days between (and including) the Effective Date and the end of FY2021) less any base fee that is paid to the New Trustee-Manager under the EH-BT Trust Deed for the relevant period. The formula of the Minimum Fee ensures that there is no double-counting across the EH-REIT and EH-BT, and ensures that the aggregate minimum base fees payable to the New Managers under both the EH-REIT Trust Deed and EH-BT Trust Deed will not exceed the sum of US\$4.5 million per annum.

The effective date of appointment of the New REIT Manager will be after the approval of the Stapled Securityholders of such appointment as well as other inter-conditional approvals having been obtained from the Stapled Securityholders as set out in Section 1.5 of this Letter.

For the avoidance of doubt, with effect from FY2024, the base fee will revert to the formula of the Current Base Fee.

5.2 The New REIT Manager's rationale for the Proposed Base Fee Structure is summarised as follows:

- (a) The Annual Distributable Income is expected to remain extremely low for the near to medium term until the New REIT Manager has stabilised the operations and performance of the Hotels. Hence, the New REIT Manager will be incurring substantial operational costs in managing EHT, including costs and expenses to be incurred by its wholly-owned subsidiary to be incorporated in the U.S. to manage and oversee the properties in the U.S.. The Minimum Fee would enable the New REIT Manager to defray its overheads and operational expenses.

If the New REIT Manager is to be paid base fee based on the current base fee formula of 10.0% of the Annual Distributable Income, given the current circumstances of EHT, it would effectively mean that the New REIT Manager would not be entitled to any fees during the initial critical years when the New REIT Manager would have to expend significant effort and resources towards stabilising the operations and performance of the Hotels and EHT.

- (b) The increase in work scope of the New Managers due to the need to stabilise the Hotels and to internalise the operations of the Hotels, as compared to the original work scope of the Managers where EHT remains as a passive landlord and is not involved in hotel operations. The New Managers will be required to expend considerable efforts and resources in the near to medium term to stabilise the operations and performance of the Hotels, which includes implementing plans to re-open the Hotels, negotiate and finalise new or amended hotel management agreements and brand franchise agreements, negotiate and secure capital investment for EHT (which may comprise the Proposed Bridge Facility), restructure EHT's borrowings and other liabilities and rebalance EHT's portfolio (which may include divestment of selected properties). These efforts are not typically required of a REIT manager in the ordinary course, and the New Managers expect to incur significant costs and expenses to resolve the outstanding issues which had arisen from events and circumstances which pre-date their appointment.

Accordingly, the New REIT Manager is of the view that the Minimum Fee is commensurate with the substantial increase in the work scope of the New REIT Manager.

- (c) Alignment of interest with the Stapled Securityholders, as the New Managers have agreed to take their base fees for FY2021 and FY2022 in the form of Stapled Securities instead of cash, to conserve cash flows of EHT in the near term for operational uses.

In this regard, EHT is seeking approval from the Stapled Securityholders at the EGM by way of Resolution 4, the authority for the issuance of up to 140,000,000 new Stapled Securities for the payment of the base fees to the New Managers in respect of FY2021 and FY2022.

Notwithstanding the above, in the event that the issuance of new Stapled Securities to the New Managers as payment of fees (including base fee, performance fee, acquisition fee and/or divestment fee under the respective Trust Deeds (whether for FY2021, FY2022 or any subsequent period)) will cause the New Managers and/or their shareholders to have an interest in 15% or more of the Stapled Securities in issue, then the New Managers will either (i) take such fees in the form of cash, or (ii) subject such issue of Stapled Securities to the approval of Stapled Securityholders as required under Rule 803 of the Listing Manual, and if such approval is not obtained, such fees will be paid in the form of cash.

In respect of FY2023, the New Managers have the discretion to elect to receive their entitlement of the base fees in the form of new Stapled Securities, subject to approval of the Stapled Securityholders being obtained (whether by way of a general mandate or otherwise).

- 5.3** The Proposed Base Fee Structure is subject to the approval of the Stapled Securityholders by way of an Extraordinary Resolution (Resolution 2) pursuant to Clause 28.2 of the EH-REIT Trust Deed and Chapter 3.2(f) of the Code on Collective Investment Schemes.

In view that the Proposed Base Fee Structure is being proposed in conjunction with the appointment of the New REIT Manager, the New REIT Manager is considered as an Interested Person and the Proposed Base Fee Structure constitutes an IPT, as defined under Chapter 9 of the Listing Manual, as well as an interested party transaction pursuant to paragraph 5 of the Property Funds Appendix. Accordingly, the Proposed Base Fee Structure is subject to the approval of the Stapled Securityholders and the opinion of the IFA on whether or not the IPT is on normal commercial terms and prejudicial to the interests of EHT and its minority Stapled Securityholders under Rule 921(4)(a) of the Listing Manual.

6. INTER-CONDITIONALITY OF RESOLUTIONS 1 TO 4, AND THE TERMINATION PROPOSAL

The Proposed Change of Managers and Related Matters are being put forth as:

- Resolution 1 (Proposed Appointment of the New REIT Manager),
- Resolution 2 (Proposed Base Fee Structure),
- Resolution 3 (Proposed Appointment of the New Trustee-Manager and waiver of the requisite notice period under the Business Trust Regulations), and
- Resolution 4 (Proposed Authority for the issuance of up to 140,000,000 new Stapled Securities for the payment of base fee to the New Managers for FY2021 and FY2022).

Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are inter-conditional upon the passing of each other. In the event that any one of these resolutions is not passed, the Proposed Change of Managers and Related Matters will not proceed with further. Instead, the Termination Proposal under Resolution 5 will be put forth for voting.

The Termination Proposal relates to (a) voluntary delisting of EHT from the official list of the SGX-ST (b) the voluntary termination and winding-up of EH-REIT and (c) the voluntary winding-up of EH-BT, under the respective Listing Rules and the Trust Deeds.

Details of the Termination Proposal are set out in Section 3 of the Circular.

It is disclosed in Section 3.2.3 of the Circular that without the new managers for EHT amidst the recurring losses due to the continued property closures and possible solvency concerns, the relevant lenders may not be willing to grant any further forbearance and/or waivers in respect of EHT's debt payment and other obligations, and would therefore have the right to foreclose on their collateral. In addition, without the new capital from the Proposed Bridging Facility (which is conditional upon the appointment of the New Managers), there is no reasonable prospect for EHT to continue to operate the properties on a going concern basis.

Therefore, the Termination Proposal is to provide the Stapled Securityholders with the alternative option of realising any remaining value of their Stapled Securities through the voluntary delisting of EHT, the voluntary termination and winding-up of EH-REIT and the voluntary winding-up of EH-BT.

7. EVALUATION OF THE PROPOSED BASE FEE STRUCTURE AS AN IPT

In our evaluation of the Proposed Base Fee Structure as an IPT, we have given due consideration to, *inter alia*, the following key factors:

- (a) our assessment of the rationale for the Proposed Base Fee Structure;
- (b) the basis of determining the Minimum Fee;
- (c) comparison of Proposed Base Fee Structure with other relevant REITs/business trusts listed on the SGX-ST; and
- (d) other relevant considerations.

7.1 Our assessment of the rationale for the Proposed Base Fee Structure

It is not within our terms of reference to comment or express an opinion on the commercial merits of the Proposed Base Fee Structure or the future prospects of EHT. Nevertheless, we have reviewed the New REIT Manager's rationale for the Proposed Base Fee Structure as set out in Section 2.3.2 of the Circular, a summary of which is set out in Section 5.2 of this Letter.

7.1.1 We note the following salient points including the basis for the EH-REIT Trustee's proposal (upon the recommendation of its professional advisers) in proposing the Proposed Base Fee Structure:

- (a) the dismal situation which EHT has found itself in, is unprecedented in the Singapore market and the circumstances of the proposed appointment of the New Managers are unique. The current sponsored-Managers has to be replaced with the New Managers which has to be acceptable to various stakeholders, including the MAS, as set out in Section 2.2.10 of the Circular. The focus of the New Managers is to stabilise the operations and performance of EHT and resolve outstanding issues that EHT is facing;
- (b) the SC Group as the New Managers is independent of the current Sponsor. In the original structure of the EH-REIT, the owners of the Sponsor are also the owners of the EH-REIT Manager and EH-BT Trustee-Manager. The owners of the Sponsor are also substantial Stapled Securityholders. Besides being independent, the SC Group possesses the relevant expertise and track record as described in Section 2.1 of the Circular;
- (c) in the current organisational structure, EH-REIT is a passive landlord and, its subsidiaries, as the Master Lessors which own the Hotels, receive rental income from the Master Lessees, which are subsidiaries of the Sponsor. EH-BT is dormant. This current structure was found to be untenable due to the various delinquencies of the Master Lessees.

The proposed plan of the New Managers is to internalise the operations of the Hotels in the near term i.e. EH-REIT will own the Hotels and lease the Hotels to EH-BT which will hold the operating contracts and run the operations of the Hotels. The New Managers will have to expend significant time and effort to, *inter alia*, enable EHT to regain the legal possession and control of the properties, secure new funding for the operations, re-activate EH-BT (which is currently dormant) as an active business trust, set up its wholly-owned subsidiary in the U.S. to manage and oversee the properties in the U.S., re-open the 15 Hotels which are currently closed, stabilise the operations and performance of the Hotels, review and re-balance EHT's portfolio of hotels, and in the medium term, to endeavour to reduce EHT's aggregate leverage to the permitted limit allowed under the Property Funds Appendix.

In addition, the New Managers will have to work towards the satisfaction of expected conditions of the Proposed Bridge Facility, one of which is to divest certain properties by a specified deadline. The proceeds of such divestments are intended to pay for approved REIT expenses and/or reduce EHT's outstanding liabilities, in accordance with the conditions of the Proposed Bridge Facility;

- (d) the current COVID-19 pandemic situation worldwide, and in particular, in the U.S., has a significant impact on the business operations of these Hotels, and could pose a significant amount of uncertainty and risks going forward. This may limit and affect the ability, effectiveness and speed of the New Managers in successfully implementing their plans and strategy for EHT, which are risks that the New Managers will be subject to and have to manage; and
- (e) EHT is currently operating at a loss, and in view of its current situation, Annual Distributable Income is expected to be extremely low for the near to medium term until the New REIT Manager has stabilised the operations and performance of the properties. Accordingly, if the New REIT Manager is to be paid management base fee which is based on the current formula of 10.0% of the Annual Distributable Income, the New REIT Manager will not be able to earn a reasonable income for its efforts in rehabilitating EHT but instead, will have to operate at a loss bearing part or most of its costs and expenses.

The factors set out above provide reasonable justification for the New REIT Manager to be paid a minimum management base fee for the initial few years until the operations have stabilised.

- 7.1.2** The New REIT Manager is proposing the Minimum Fee of US\$4.5 million per annum for the management base fee for an initial period of 3 financial years.

We note that the Minimum Fee of US\$4.5 million per annum was arrived at based on a cost-recovery basis which is derived based on the estimated staffing costs, office expenses and related expenses as set out in Section 7.2 below.

The Minimum Fee is proposed for the period from the Effective Date until 31 December 2023 based on the estimated duration reasonably expected to take to achieve reasonable progress towards stabilisation of the properties, amidst the COVID-19 pandemic, and given the current issues facing EHT.

In the scenario where EHT achieves Annual Distributable Income of more than US\$45 million in any of these initial 3 financial years, the New REIT Manager will be entitled to the higher base fee at 10.0% of Annual Distributable Income. For the avoidance of doubt, with effect from FY2024, the management base fee will revert to the current formula of 10.0% of the Annual Distributable Income as set out in the existing EH-REIT Trust Deed.

- 7.1.3** The New Managers agree to take their base fees for FY2021 and FY2022 in the form of Stapled Securities instead of cash, to conserve cash flows of EHT. Accordingly, EHT is seeking approval from the Stapled Securityholders at the EGM by way of Resolution 4, the authority for

APPENDIX A – IFA LETTER

the issuance of up to 140,000,000 new Stapled Securities for the payment of base fees to the New Managers in respect of FY2021 and FY2022. Such maximum number of new Stapled Securities (assuming all of the Stapled Securities are issued) represents approximately 16.0% of the existing number of issued Stapled Securities (872,750,117 Stapled Securities) as at the Latest Practicable Date, and 13.8% of the enlarged number of Stapled Securities (1,012,751,170 Stapled Securities).

7.2 Basis of determining the Minimum Fee

We understand from the New REIT Manager that the Minimum Fee of US\$4.5 million per annum for the base fee was arrived at based on its estimation of the operational costs on a cost-recovery basis to manage the operations of EHT in Singapore and the U.S., as well to maintain the listing status on the SGX-ST. A listing of the main costs is as follows:

Estimated proportion of total Minimum Fees	Nature of costs
~ 65%	<p>Staff costs (including Executive Director) and Non-Executive Directors' fees.</p> <p>Staff costs include the key management personnel to oversee the operations in Singapore and U.S. as well as perform other key functions including finance, compliance, asset management and investments, human resource, administration and investor relations.</p> <p>The New Managers will have in place a dedicated team of experienced professionals to work towards rehabilitating EHT and expect to continue strengthening the management team as appropriate.</p> <p>The Non-Executive Directors include 3 Independent Directors which form the majority of the Board of Directors, in compliance with the SGX-ST requirements and the Code of Corporate Governance 2018.</p>
~ 17%	Office related expenses, insurance, licensing and outsourcing fees.
~ 10%	Professional fees and membership fees.
~ 8%	Other miscellaneous and travelling expenses.
100%	Total Minimum Fee of US\$4.5 million per annum.

There is currently no equivalent market comparable for the proposed Minimum Fee in relation to minimum base fees for managers of REITs or business trusts listed on the SGX-ST, mainly due to the unique circumstances of the proposed appointment of the New Managers as noted in Section 7.1.1 above.

Purely for illustration purposes, as set out in Section 3.5 of this Letter, EHT had paid management fees of US\$3.0 million to the Managers for the period from the listing date of 24 May 2019 to 31 December 2019, being 10% of the Annual Distributable Income for FY2019.

However, we note that the proposed Minimum Fee may not be meaningfully compared to the base fee paid in respect of FY2019 as FY2019 was EHT's first year of listing on the SGX-ST, FY2019 was not for a full financial year of 12 months and the material issues currently facing EHT had not surfaced then. On the contrary, the scope of work for the New Managers, upon their appointment, will include having to step in and resolve the outstanding issues which arose prior to their appointment, and continue to stabilise the operations and performance of the Hotels amidst challenging market conditions.

7.3 Comparison of Proposed Base Fee Structure with other relevant REITs/business trusts listed on the SGX-ST

- 7.3.1** As pointed out in Section 7.2 above, there is currently no equivalent market comparable for the proposed Minimum Fee in relation to minimum base fee for managers of REITs or business trusts listed on the SGX-ST, mainly due to the unique circumstances of the proposed appointment of the New Managers.

In view of the proposed Minimum Fee of US\$4.5 million per annum for the period from the Effective Date until 31 December 2023, any comparison based on a percentage of annual distributable income during this period with other REITs may also not be meaningful given the expected low annual distributable income of EHT during the initial years of rehabilitation.

Hence, we have assessed the Minimum Fee of US\$4.5 million as a percentage of EHT's Deposited Property as at 30 September 2020 for the purpose of comparing with other REITs listed on the SGX-ST. Deposited Property is defined as total assets of the REIT.

As set out in Section 3.5 of this Letter, the total assets of EHT as at 30 September 2020 is US\$778.9 million, which takes into consideration the valuation of the Hotels on an "as is" basis of US\$726.9 million. Based on this, the Minimum Fee represents approximately 0.58% of the Deposited Property as at 30 September 2020.

However, the Valuer had also ascribed a valuation for the Hotels on a "upon stabilisation" basis of US\$899.6 million at future values, and US\$837.0 million in today's values. Based on this, on a stabilised basis at today's values, there is a potential uplift in the valuation of the Hotels of US\$110.1 million from US\$726.9 million to US\$837.0 million. The Deposited Property of EHT could be higher by US\$110.1 million from US\$778.9 million to US\$889.0 million. The Minimum Fee will then represent a lower percentage of approximately 0.51% of the Deposited Property on a "upon stabilisation" basis.

The Valuer had highlighted the significant estimation uncertainty on the valuation of the Hotels in view of, *inter alia*, the negative impact of COVID-19 and the current situation of the Hotels.

We have therefore used the above range of **0.51% and 0.58%** as the percentage to the Deposited Property of EHT to compare against other comparable REITs in Section 7.3.2 below.

- 7.3.2** For the purpose of comparison, in assessing the Minimum Fee of US\$4.5 million per annum for the New Managers, we have analysed and considered the following:

- (a) comparison with other hospitality REITs/business trusts listed on the SGX-ST ("**Hospitality REITs**") to ascertain their basis of determining base fees payable to the respective managers, and/or the actual base fee paid as a percentage of the Deposited Property (i.e. total assets of the REITs); and
- (b) comparison with other property related REITs/business trusts listed on the SGX-ST ("**Other Property REITs**") which pay base fees based on a percentage of Deposited Property, and to ascertain the range of these percentages.

There are in total 5 comparable Hospitality REITs listed on the SGX-ST.

For a more meaningful comparison with Other Property REITs, we have selected the relevant REITs with Deposited Property of less than US\$1.5 billion (S\$2 billion). There are in total 7 of such REITs.

We have had discussions with the New Managers and EH-REIT Trustee on the suitability and reasonableness of the selected REITs for comparison with EHT. Relevant information has been extracted from Bloomberg L.P. and publicly available information. We make no representations

APPENDIX A – IFA LETTER

or warranties, expressed or implied, as to the accuracy or completeness of such information. The accounting policies of these comparable REITs with respect to the values for which the assets or the revenue and cost are recorded may differ from that of EHT.

We wish to highlight that the selected comparable REITs may not be exhaustive and it should be noted that there may not be any listed REIT that is directly comparable to EHT in terms of location, business activities, customer base, size of operations, asset base, geographical spread of activities, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and the relevant criteria. In particular, we note that the issues affecting EHT are unique in the Singapore REIT market. As such, any comparison made is necessarily limited and it may be difficult to place reliance on the comparison of statistics for these comparable REITs. Therefore, any comparison made serves only as an illustrative guide.

Comparison with the Hospitality REITs

A brief profile of the 5 comparable Hospitality REITs is set out below:

	Name	Description
1.	ARA US Hospitality Trust ("ARA H-Trust")	ARA H-Trust is a hospitality stapled group which invests in income-producing real estate assets used primarily for hospitality and/or hospitality-related purposes located in the U.S.. ARA H-Trust's portfolio currently comprises 41 upscale select-service hotels with a total of 5,340 rooms across 22 states in the U.S..
2.	Ascott Residence Trust ("ART")	ART is formed by the combination of Ascott REIT and Ascendas Hospitality Trust which was completed on 31 December 2019. ART invests primarily in income-producing real estate and real estate-related assets which are predominantly used as serviced residences, hotels, rental housing properties and other hospitality assets. Its international portfolio comprises 87 properties with more than 16,000 units in 39 cities across 15 countries in Asia Pacific, Europe and the U.S. as at 31 December 2019.
3.	CDL Hospitality Trust ("CDLHT")	CDLHT is a hospitality stapled group which owns 19 properties, comprising 16 hotels in Singapore, Australia, New Zealand, Japan, United Kingdom, Germany and Italy, and two resorts in Maldives, totalling 5,089 rooms; and a retail mall in Singapore.
4.	Far East Hospitality Trust ("Far East H-Trust")	Far East H-Trust is a Singapore-focused hotel and serviced residence hospitality trust. Far East H-REIT has a portfolio of 13 properties consisting of 9 hotels and 4 serviced residences. In addition, Far East H-REIT has a 30.0% stake in a joint venture hotel project in Sentosa.
5.	Frasers Hospitality Trust ("FHT")	FHT is a hospitality stapled group established with the principal strategy of investing globally (excluding Thailand) on a long-term basis in income-producing real estate assets used predominantly for hospitality purposes. Its global hospitality portfolios comprise 9 hotels and 6 serviced residences in 9 key cities in Asia, Australia and Europe with a total of 3,913 rooms (comprising 3,071 hotel rooms and 842 serviced residence units).

Source: Annual reports of the respective Hospitality REITs

APPENDIX A – IFA LETTER

A summary of the basis of determining base fee of the comparable Hospitality REITs is set out below:

	Name	Last financial year-end	Market capitalisation ⁽²⁾ (US\$' million)	Deposited Property ⁽²⁾ (US\$' million)	Basis of determining annual base fee
1.	ARA US H-Trust	31 Dec 2019	493.3	758.6	10% of annual distributable income
2.	ART ⁽¹⁾	31 Dec 2019	3,046.7	5,515.1	0.3% of property values
3.	CDLHT ⁽¹⁾	31 Dec 2019	1,459.5	2,274.4	0.25% of Deposited Property
4.	Far East H-Trust ⁽¹⁾	31 Dec 2019	1,068.4	2,005.8	0.3% of Deposited Property (reduced to 0.28% from 1 Jan 2020 onwards)
5.	FHT ⁽¹⁾	30 Sep 2019	988.1	1,770.4	0.3% of Deposited Property
	EHT	31 Dec 2019	119.6 (prior to trading halt & suspension)	779.0 (as at 30 Sep 2020)	10% of annual distributable income, subject to a minimum of US\$4.5 million for the initial 3 financial years

Notes:

- (1) Relevant figures are converted to US\$ for comparison purposes with EHT based on the prevailing US\$: S\$ exchange rates as at their respective financial year-end; and
- (2) Market capitalisation and Deposited Property of the comparable Hospitality REITs are as at their respective financial year-end.

Of the 5 comparable Hospitality REITs, only ARA US H-Trust has a similar base fee formula of 10% of annual distributable income as EHT. The remaining 4 comparable Hospitality REITs have base fees that are based on a percentage of their respective Deposited Property or property value, ranging from 0.25% to 0.3%.

ARA US H-Trust was listed on the SGX-ST on 9 May 2019. Its first financial period was from 9 May 2019 (listing date) to 31 December 2019. Its management base fee for that period (approximately 8 months) was US\$2.5 million. Purely for illustration purposes, on an annualised basis, the theoretical annual base fee (US\$3.8 million) would represent 0.5% of the Deposited Property as at 31 December 2019. For the interim period from 1 January 2020 to 30 June 2020, ARA US H-Trust earned no management base fee as distributable income for that reporting period was nil.

In comparison, as set out in Section 7.3.1 above, the Minimum Fee of US\$4.5 million represents a range of 0.51% to 0.58% of the Deposited Property of EHT as at 30 September 2020.

Comparison with the Other Property REITs

A brief profile of the 7 Other Property REITs is set out below:

	Name	Description
1.	AIMS APAC REIT ("AA REIT")	AA REIT's principal investment objective is to invest in a diversified portfolio of income-producing industrial, logistics and business park real estate, located throughout the Asia Pacific region. AA REIT's portfolio consists of 27 properties, of which 25 properties are located throughout Singapore, a property located in Gold Coast, Queensland, Australia

APPENDIX A – IFA LETTER

		and a 49.0% interest in one business park property, Optus Centre, which is located in Macquarie Park, New South Wales, Australia.
2.	ARA LOGOS Logistics Trust (“ ALOG ”)	ALOG (previously Cache Logistics Trust) is an Asian logistics REIT with a S\$1.26 billion portfolio across Singapore and Australia, comprising 27 logistics warehouse properties (10 in Singapore and 17 in Australia) with a total gross floor area of 9.0 million square feet.
3.	Dasin Retail Trust	Dasin Retail Trust’s mandate is to invest in, own or develop land, uncompleted developments and income-producing real estate in Greater China (comprising PRC, Hong Kong and Macau), used primarily for retail purposes, as well as real estate-related assets, with a focus on retail malls. As at 31 December 2019, the Trust’s portfolio comprises five retail malls located in Zhongshan and Zhuhai cities in Guangdong, PRC, valued at approximately RMB9.5 billion (S\$1.8 billion). These properties host a tenant base of over 500 local and international retailers.
4.	First REIT	First REIT is a healthcare real estate investment trust. Its investment strategy encompasses a diverse portfolio of yield-accretive healthcare and healthcare-related real-estate assets in Asia. The Trust has a portfolio of 20 properties across Asia, with a total asset value of S\$1.34 billion. These include 16 properties in Indonesia comprising 12 hospitals, two integrated hospitals & malls, an integrated hospital & hotel and a hotel & country club, as well as three nursing homes in Singapore and one hospital in South Korea.
5.	Lendlease Global Commercial REIT (“ LREIT ”)	LREIT is established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of stabilised income-producing real estate assets located globally, which are used primarily for retail and/or office purposes. Its initial portfolio comprises a leasehold interest in 313@somerset, a retail property located in Singapore, and a freehold interest in Sky Complex, which comprises three grade A office buildings located in Milan. As at 30 June 2020, the portfolio has a total net lettable area of approximately 1.3 million square feet, with an appraised value of approximately S\$1.4 billion.
6.	Lippo Malls Indonesia Retail Trust (“ LMIR Trust ”)	LMIR Trust is an Indonesia exposed REIT with its assets located in large middle-class population catchment areas in Greater Jakarta, Bandung, Yogyakarta, Medan, Palembang, Bali and Sulawesi, catering mainly to the everyday needs of middle to upper-middle-income domestic consumers in Indonesia. As at 31 December 2019, it has a portfolio of 30 properties comprising 23 retail malls and seven retail spaces located in other shopping malls. With a total gross floor area of 1,783,304 square metres and net lettable area of 913,958 square metres, the portfolio’s asset value stood at Rp18,851.8 billion.
7.	Sabana Shariah Compliant Industrial REIT (“ Sabana REIT ”)	Sabana REIT has a diversified property portfolio valued at approximately S\$1.0 billion as at 31 December 2019, comprising 18 properties located across Singapore. The portfolio has a total gross floor area of approximately 4.1 million square feet. Sabana REIT has four main industrial property segments: Hightech Industrial, Chemical Warehouse and Logistics, Warehouse and Logistics and General Industrial.

Source: Annual reports of the respective Other Property REITs

A summary of the percentages of annual base fee to Deposited Property of the Other Property REITs is set out below:

	Name	Latest financial period	Market capitalisation ⁽¹⁾ (S\$' million)	Deposited Property ⁽¹⁾ (S\$' million)	Percentage of annual base fee to Deposited Property
1.	AA REIT	30 Sep 2020	848.0	1,803.7	0.5% of the Deposited Property
2.	ALOG	30 Jun 2020	615.1	1,371.0	0.5% of the consolidated assets
3.	Dasin Retail Trust	30 Jun 2020	539.8	1,906.7	0.25% of the Trust Property up to \$10.0 billion plus 0.20% of the value of the Trust Property which exceeds \$10.0 billion

APPENDIX A – IFA LETTER

4.	First REIT	30 Jun 2020	557.6	1,413.9	0.4% of all assets
5.	LREIT	30 Jun 2020	796.8	1,555.5	0.3% of the Deposited Property
6.	LMIR Trust	30 Sep 2020	234.1	1,638.7	0.25% of the Deposited Property
7.	Sabana REIT	30 Jun 2020	368.6	927.4	0.5% of the Deposited Property

Note:

- (1) Market capitalisation and Deposited Property of the respective Other Property REITs as at the end of the reporting period based on their respective latest results announcement which are reported in S\$ and their units are traded and quoted in S\$.

We observed that the 7 Other Property REITs have base fees as a percentage of Deposited Property ranging from 0.25% to 0.5%. However, all of these REITs have Deposited Properties that are much larger than EHT except for Sabana REIT which has Deposited Property (approximately US\$692 million) that is comparable in size to EHT. Sabana REIT's base fee is 0.5% of the Deposited Property.

In comparison, as set out in Section 7.3.1 above, the Minimum Fee of US\$4.5 million represents a range of 0.51% to 0.58% of the Deposited Property of EHT as at 30 September 2020.

7.4 Other relevant considerations

7.4.1 Issue price of the new Stapled Securities to the New Managers

In conjunction with the Proposed Base Fee Structure, the New Managers agree for their entitlement of base fees for FY2021 and FY2022 to be paid in the form of new Stapled Securities.

Under Clause 15.1.4(v) of the existing EH-REIT Trust Deed,

- (a) the issue price for these new Stapled Securities will be based on the volume weighted average traded price of the Stapled Securities for the last 10 business days immediately preceding the end of the relevant financial period in which such base fee accrues ("**10-Day VWAP**"); and
- (b) If EHT is "unlisted", the issue price of the new Stapled Securities will be based on and equal to the NAV of EHT for the relevant period.

Trading of the Stapled Securities has been suspended since March 2020. On the basis that resumption of trading of the Stapled Securities has not been effected by the relevant date to compute the 10-Day VWAP, the issue price of the new Stapled Securities payable to the New Managers for the base fee will be based on the NAV of EHT for the relevant period.

In the event that the Stapled Securities resume trading on the SGX-ST to enable the computation of the 10-Day VWAP, the issue price of the new Stapled Securities for the purpose of the payment of the base fee to the New Managers will be based on the 10-Day VWAP.

We note that the above reference to being "unlisted" is expressed to specifically apply to EHT being unlisted but is silent on the status of the Stapled Securities being "unlisted". As such, as part of the Proposed Base Fee Structure, Clause 15.1.4(v) is proposed to be amended to clarify that the status of "unlisted" also applies to the situation when the Stapled Securities are "unlisted" ("**Suspension Issue Price Clarification**").

For reference, “Unlisted” is defined in the existing EH-REIT Trust Deed as:

- in relation to EH-REIT, means “*not being included on, or having been delisted from, the Official List of the SGX-ST or (as the case may be) any other Recognised Stock Exchange*”; and
- in relation to the Units, means “*having been suspended for 60 consecutive calendar days or more from being listed, quoted or traded on the Official List of the SGX-ST or (as the case may be) any other Recognised Stock Exchange*”.

As the above Suspension Issue Price Clarification is to clarify that the reference to being “unlisted” also applies to the status of the Stapled Securities and not only to EHT, we are of the opinion that the above proposed clarification is not prejudicial to the interests of EHT and its minority Stapled Securityholders.

Further details of the Suspension Issue Price Clarification are set out in Section 2.3.3 of the Circular.

7.4.2 Other key fees of the New REIT Manager remain the same as per the EH-REIT Trust Deed

Besides the base fee, the New REIT Manager is also entitled to other fees including performance fee, acquisition fee, divestment fee and development fee as set out in the existing EH-REIT Trust Deed. We note that the material terms of these fees as set out in the existing EH-REIT Trust Deed have not been amended or proposed to be amended in conjunction with the appointment of the New REIT Manager.

7.4.3 Proposed Bridge Facility of up to US\$125 million

As set out in Section 3.4(c) of this Letter, the rehabilitation of EHT is heavily reliant on the availability of funding of the Proposed Bridge Facility to be extended by the lenders. We note that certain of these key lenders are supportive of the proposed appointment of the New Managers and the Proposed Bridge Facility is conditional upon the appointment of the New Managers being approved at the EGM.

However, Stapled Securityholders should note that as at the Latest Practicable Date, the Proposed Bridge Facility is currently subject to negotiations and discussions between the EH-REIT Trustee, the New REIT Manager, their respective professional advisers and the lenders, and subject to finalisation and the execution of definitive documentation.

Stapled Securityholders should take note of any update on the above which may be announced by the Managers and/or the EH-REIT Trustee after the Latest Practicable Date.

7.4.4 Inter-conditionality of Resolutions 1 to 4, and the Termination Proposal

Stapled Securityholders should note that Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are inter-conditional on the passing of each other. This means that in the event that any of the resolutions is not passed, including the Proposed Base Fee Structure as Resolution 2, none of the resolutions will be carried and none of these resolutions will be proceeded with. The Proposed Change of Managers and Related Matters will therefore not be implemented for EHT.

Under this scenario, the Termination Proposal under Resolution 5 will be put forth for voting. Resolution 5 is to seek Stapled Securityholders’ approval for the proposed (a) voluntary delisting of EHT, (b) voluntary termination and winding-up of EH-REIT and (c) voluntary winding-up of EH-BT by way of an extraordinary resolution.

7.4.5 Risks associated with the Proposed Change of Managers and Related Matters, and the business and industry in which EHT operates

Section 2.7 of the Circular highlights certain relevant factors and risks associated with the Proposed Change of Managers and the Related Matters, and business and industry in which EHT operates. These include the following:

- (a) There is no assurance that the Master Lessees will comply with their obligation upon the termination of the Master Lease Agreement.
- (b) Any delays in unlawful detainer actions may affect the re-opening and stabilisation plans for the Hotels.
- (c) There may be potential delays in obtaining the necessary permits and licences required to re-open the Hotels, thus hampering the re-opening and stabilisation plans for the Hotels.
- (d) There may be potential litigation risk from the creditors of outstanding hotel liabilities, lenders of EHT under the BoA Facilities Agreement and Mortgage Loans as well as the Sponsor and the Master Lessees.
- (e) The hotel managers and/or franchisors may demand for repayment of hotel obligations of the Master Lessees under the Hotel Management Agreements and/or Franchise Agreements pursuant to the non-disturbance agreements.
- (f) The Master Lessor of the Queen Mary Long Beach Property may be required to repay the loan, interests and penalties (if any) under the Paycheck Protection Program Loan.
- (g) The proposal for EH-BT to be an active business trust and activities carried out by EH-BT may affect the returns of EHT.
- (h) EH-REIT's aggregate leverage is expected to remain above the permitted limit under the Property Funds Appendix for the foreseeable future, and EH-REIT is exposed to various risks relating to its borrowings (including under the Proposed Bridge Facility).
- (i) There is no assurance that continued forbearance and/or waivers of existing defaults under the BoA Facilities Agreement and the Mortgage Loans as well as capital investment will be secured in order for EHT to continue as a going concern.
- (j) There is no assurance that the conditions under the Proposed Bridge Facility will be satisfied.
- (k) There is no assurance that the requisite consents will be obtained from the City of Long Beach, the BoA Facilities Agreement Lenders and the lenders of the Mortgage Loans.
- (l) There may be potential default under the Lendco Unsecured Loan.
- (m) The appraisals of the Properties are based on various assumptions and there is no assurance that EHT will be able to realise the reported valuation of a property on its disposal.
- (n) It is expected that a period of time will be required in order to implement the MLA Internalisation, re-open all of the Properties which are closed, and to stabilise the operations and performance of the Properties.

- (o) The financial performance of the Properties and EHT is dependent on the condition and outlook of the U.S. hospitality and lodging industry, which has been severely affected by the outbreak of COVID-19.
- (p) There is no certainty as to when the trading suspension on the Stapled Securities will be lifted.
- (q) The auditors of EHT may continue to issue disclaimer or qualified audit opinions.
- (r) The New Managers may not be able to successfully implement their strategy for EHT.
- (s) There is no assurance that EHT will have sufficient cash resources to carry out a Chapter 11 filing if required.

7.4.6 SC Group having put forth the most credible proposal as at the Latest Practicable Date

As disclosed in Section 1.3 of the Circular, the EH-REIT Trustee together with its professional advisers have given proper and careful consideration to each of the credible comprehensive proposal received under the RFP Process (as defined in the Circular). As at the Latest Practicable Date, the EH-REIT Trustee, on the recommendation of its professional advisers, is of the view that the SC Group's proposal is the most credible proposal.

8. OUR OPINION

In arriving at our opinion in respect of the Proposed Base Fee Structure as an IPT, we have reviewed and examined all factors which we consider to be pertinent in our assessment, including the following key considerations:

- (a) our assessment of the rationale for the Proposed Base Fee Structure;
- (b) the basis of determining the Minimum Fee;
- (c) comparison of Proposed Base Fee Structure with other relevant REITs/business trusts listed on the SGX-ST; and
- (d) other relevant considerations.

Overall, having considered the above and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Base Fee Structure as an IPT (which includes the Suspension Issue Price Clarification) is on normal commercial terms and is not prejudicial to the interests of EHT and its minority Stapled Securityholders.

Our opinion, as disclosed in this Letter, is based solely on information obtained from the Circular, publicly available information and information provided by the Managers (only in respect of information in the Circular and publicly available information relating to EHT and the Managers, in each case, for which the Managers have accepted responsibility), the EH-REIT Trustee (only in respect of information relating to the EH-REIT Trustee, the IPT and the information in the Circular for which the EH-REIT Trustee has accepted responsibility) and the New Managers (only in respect of information relating to the New Managers and the Proposed Base Fee Structure), and does not reflect any projections of future financial performance of EHT or the EH-REIT Group after the completion of the IPT. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Proposed Base Fee Structure as an IPT.

APPENDIX A – IFA LETTER

This Letter is prepared pursuant to Rule 921(4)(a) of the Listing Manual, as well as addressed to the EH-REIT Trustee and the Stapled Securityholders. Whilst a copy of this Letter may be reproduced in the Circular, neither EHT, the EH-REIT Trustee, the Directors, the Managers nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes other than for the purpose of the forthcoming EGM and for the purpose of the IPT, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

Our opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

1. Directors of the New Managers

Information on the business and working experience of the directors of the New Managers is set out below.

Mr. Alan Koh Thiam Hock

Independent Non-Executive Chairman

Mr. Koh held the role of Vice Chairman and General Manager of Bank of America NT & SA Singapore Branch (“**BoA**”) from 2012 until his retirement in April 2016. In his last role with BoA, he was responsible for grooming new senior local talent and assisted with the transition resulting from the merger of Bank of America (Singapore Branch) and Merrill Lynch Singapore. He was the principal officer liaising with the regulators to ensure that all material weaknesses in the system were addressed and chaired the local branch management committee which comprised the heads of the various business lines and enterprise control and operational functions to discuss and resolve strategic issues.

Mr. Koh’s experience included a broadened function involving oversight responsibilities for compliance (regulatory, anti-money laundering, fraud detection/escalation and remediation protocols including code of ethics and conduct), finance (audit, tax and financial reporting and disclosure processes), human resource and enterprise risk matters.

During his 40 years in banking, which included his stints as Country Executive for BoA (prior to the merger) from 2004 to 2008 and Country Executive of the merged BoA operations in Singapore from 2009 to 2011, he dealt with different industries covering local/regional hardware, automotive and trading/ commodity/shipping and the manufacturing sectors. His responsibilities had also been expanded to cover the construction and real estate industries, and in this particular area, he helped the bank to set up broad guidelines on Real Estate and Construction Lending and was later seconded to Hong Kong for a period to manage the real estate and construction lending activities and protocols for Asia.

Mr. Koh is currently an Independent Non-Executive Director of City Development Limited where he is also a member of the Audit and Risk Committee and the Remuneration Committee.

Mr. Koh holds a Bachelor of Business Administration from the University of Hawaii.

Mr. Suchad Chiaranussati

Non-Independent Non-Executive Director

Mr. Chiaranussati is currently the Founder and Chairman of SC Group. He has also successfully led an opportunistic series of funds known as RECAP in their investments and provided key leadership and direction since the funds’ inception.

Prior to founding RECAP at the end of 2004, Mr. Chiaranussati spent approximately six (6) years with Westbrook Real Estate Partners LLC, where he opened its Asia office in Singapore in early 1999 and served as Principal and Managing Director responsible for Asian investment activities. Prior to joining Westbrook Real Estate Partners LLC, Mr. Chiaranussati spent seven (7) years at J.P. Morgan, where he was based in the Singapore office and covered Southeast Asia, serving as a Vice President in the Proprietary Investment and Investment Banking groups, with a focus on real estate and financial institutions. Prior to that, Mr. Chiaranussati previously worked at Temasek Holdings (Private) Limited and the Bank of Thailand, the Central Bank of Thailand. In 1998, Mr. Chiaranussati was appointed as an advisor by the Bank of Thailand, the Central Bank of Thailand and other bodies to assist in the restructuring of the public and private sectors of Thailand.

APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS

Mr. Chiaranussati received a scholarship from the Bank of Thailand in 1987. He also holds an Honours Degree in Economics from the London School of Economics and a Master of Science in Management Science from the Imperial College in London.

Mr. Loh Hwee Long (Luo Hui Long)

Executive Director and Chief Executive Officer

Mr. Loh has more than 19 years of global experience in the real estate industry spanning across investment, asset and fund management functions in multiple asset classes. He was personally involved in and led global real estate transactions exceeding \$10 billion in value.

He was awarded a scholarship by Keppel Corporation Limited, and started his career in 2001 with Keppel Land Limited looking at residential development projects in Vietnam and China. He was subsequently posted to the Beijing office to focus on the North China markets. In 2006, he joined The Ascott Limited and was involved in the group's activities in both the Southeast Asian and Middle Eastern markets. From 2007 until 2012, Mr. Loh was with GIC Real Estate Pte Ltd as Vice President responsible for its hospitality-related business in the Asia-Pacific markets of China, Hong Kong, Australia and Malaysia.

From the end of 2012, Mr. Loh was with Mapletree Investments Pte. Ltd. where he was instrumental in the creation and execution of the new market strategy for the group which resulted in the group gaining new market access into Australia, Europe, and the United States with new office set ups in Sydney, London, New York and Los Angeles. During this time, he was responsible for new investments spanning the office, business park, serviced apartments and student accommodation sectors in these markets. This included the merger and acquisition of the global operating platform of Oakwood Worldwide (one of the largest serviced apartment operator globally) as well as the syndication of the first Asian student accommodation private fund. Mr. Loh held the role of Head of Strategic Investments for Keppel Capital Holdings Pte. Ltd. from January 2019 to August 2019 before his last held position as the CEO-designate for a potential \$1.2 billion REIT IPO involving a portfolio of industrial, logistics and commercial assets across China.

Mr. Loh holds a First Class Honours Bachelor of Science (Real Estate) Degree from the National University of Singapore.

Ms. Wenning Jung

Independent Non-Executive Director

Ms. Jung has over 25 years of proven international experience (in both the United States and Asia-Pacific) in real estate investments.

From 2007 to 2019, Ms. Jung was a Senior Vice President at Franklin Real Estate Asset Advisors ("FRAA") which is a unit within Franklin Templeton. Ms. Jung joined Franklin Templeton in 2007 in the United States and relocated to Singapore in late 2008. In 2009, Ms. Jung was transferred to Franklin Templeton's Singapore entity, Templeton Asset Management Ltd. During her time with FRAA, Ms. Jung was responsible for identifying/sourcing, leading evaluation, due diligence and underwriting, execution and documentation negotiation of new investment opportunities as well as capital raising activities of FRAA in the region.

Prior to her time at FRAA, Ms. Jung was an Investment Officer / Risk and Insurance Manager at the California Public Employee's Retirement System (CalPERS). She began her career there in 1999 and was responsible for managing CalPERS Asia real estate investment strategy which consisted of approximately US\$1.2bn of equity across 7 internal funds and separate accounts. Ms. Jung also managed CalPERS' Real Estate Risk and Insurance program which provided Property and Liability, Earthquake, Terrorism and Environmental insurance coverage for all of CalPERS' domestic real estate holdings across multiple asset classes.

Ms. Jung holds a Bachelor of Science, Finance from the California State University.

Ms. Choo Wai Hong

Independent Non-Executive Director

Ms. Choo has over 23 years of legal experience (in both the United States and Singapore). From 1986 to 2006, she practiced corporate law in Singapore and Los Angeles, after having spent three years in litigation practice. She was a pioneer in the practice of asset management law at a time when the industry was just starting in Singapore. She later added an extensive legal and regulatory compliance practice not only in the fund management industry, but also in the banking and securities law industries. Ms. Choo also served on the Professional Conduct Committee of the Investment Management Association of Singapore from 2009 to 2011.

She was a partner in a Singapore law firm, Allen & Gledhill from 1990 to 2003, and a partner heading the Singapore Fund Practice Group in the Singapore branch of Clifford Chance, through the Clifford Chance/Wong Partnership joint venture, from 2003 to 2006. After leaving active legal practice in 2007, Ms. Choo continues to advise companies and non-governmental organizations, sitting on the boards as an executive committee member of AWARE (Association of Women for Action, Research and Education), and TWC2 (Transient Workers Count Too).

Ms. Choo holds a Bachelor of Arts (Political Science) degree from McGill University in Montreal, Canada, and a LLB degree from the University of London. She was called to the English bar as a barrister-at-law of the Middle Temple in London in 1982. She became an Advocate & Solicitor, Singapore in 1983 and an Attorney at Law, California in 1987.

2. Key Executive Officers of the New Managers

Information on the business and working experience of the key executive officers of the New Managers is set out below.

Mr. Loh Hwee Long (Luo Hui Long)

Chief Executive Officer

Details of Mr. Loh Hwee Long's experience is set out in paragraph 1 above.

Mr. Johnnie Tng Chin Hwee

Chief Financial Officer

Mr. Tng has held senior management positions for over 15 years in the real estate space. His last role was the CEO-designate for a proposed REIT IPO, involving hospitality assets in Asia, Australia and Europe. Prior to that, he was the Chief Financial Officer of EC World Asset Management Pte Ltd, the manager of EC World REIT, which focused on real estate investments for e-commerce and logistics purposes. Before that, he was the Chief Financial Officer of Keppel REIT Management Pte Ltd, the manager of Keppel REIT, which has very substantial commercial office investments in Singapore and Australia. Before joining Keppel REIT, Mr. Tng was the Chief Financial Officer of Ascendas Property Fund Trustee Pte. Ltd., the trustee-manager of Ascendas India Trust, the first India-focused property trust listed on the SGX-ST. Prior to that, Mr. Tng had held senior corporate finance and private equity investment positions. He was Vice President Corporate Finance at RGM International Pte. Ltd., an Indonesian conglomerate involved in resource-based industries, where he had led several multimillion-dollar merger and acquisition transactions. Before his time at RGM International Pte. Ltd., Mr. Tng advised a private investor on the takeover and subsequent debt restructuring of a logistics company listed on the SGX-ST, Freight Links Express Holdings Ltd.

Mr. Tng spent the initial 10 years of his career with the Monetary Authority of Singapore, SBC Warburg and Nomura Singapore Limited, where he was largely involved in investment banking and private equity investments.

APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS

Mr. Tng graduated from the Nanyang Technological University in Singapore with a Bachelor's degree in Accountancy.

Mr. Michael C. Liu

*Chief Operating Officer / Head of Asset Management*¹³

Mr. Liu has over 23 years of experience in real estate development in the United States, with deep and broad experience across the full range of real estate development phases, from feasibility studies, to design and financing, construction and development works, marketing and sales to completion and tenant occupation. Prior to joining SCCPRE in late 2020, Mr. Liu served as Vice President, Head of Property Development for the United States operations of SingHaiyi Group Ltd. From 2015 through 2020, he led all of the firm's real estate development efforts in the United States. As department head, Mr. Liu was responsible for all development related contracts, budgets, schedules, staffing and procedures.

In early 2015, Mr. Liu was the Deputy General Manager of Construction of Wanda Beverly Hills Properties, LLC, an entity within the Dalian Wanda Group, where he oversaw the construction of an ultra-luxury residential and hotel development in Beverly Hills, California with a project value of approximately US\$1.2 billion. From 2011 through 2014, Mr. Liu was responsible for the development of a multimedia preservation center in Los Angeles on behalf of the Packard Humanities Institute. From 2006 to 2010, Mr. Liu was the Vice President of Construction and Design at Gatehouse Capital Corp., where he led the development of W Hollywood Hotel and Residences in Los Angeles and an 18-month extensive multi-phase renovation of Hyatt Regency Mission Bay in San Diego, California while hotel operations were ongoing.

Mr. Liu has also spent 4 years as a construction litigation consultant preparing and defending against contract claims involving cost overruns, schedule delays, scope variances, contract breaches, economic damages and other legal issues. Mr. Liu began his career in 1995 as a structural engineer designing earthquake resistant buildings.

Mr. Liu graduated with both a Master of Science and Bachelor of Science degrees in Civil Engineering from the University of California at Berkeley. He also holds a Master of Business Administration degree from the University of Texas at Austin. Mr. Liu has been a licensed Professional Engineer (Civil) in California since 1997 and is also a LEED (Leadership in Energy and Environmental Design) Accredited Professional administered by the U.S. Green Building Council.

Ms. Emma Tan Bee San

Senior Finance Manager

Ms. Tan has more than 20 years of experience in accounting, finance, budgeting, tax, compliance and reporting. Prior to joining the New Managers, she was Assistant Director at AEW Asia Pte Ltd. Before that, Ms. Tan was the Senior Manager, Finance at EC World Asset Management Pte Ltd (the manager of EC World REIT), where she developed the financial reporting process for EC World REIT post-listing and assisted the CFO in various financing, due diligence, compliance and corporate governance matters. Before joining EC World, she was a Finance Manager at ARA-CWT Trust (Cache) Management Limited (the manager of Cache Logistics Trust (now renamed as ARA LOGOS Logistics Trust)). Ms. Tan also had held various positions with Ascendas Property Fund Trustee Pte Ltd (the trustee-manager of Ascendas India Trust).

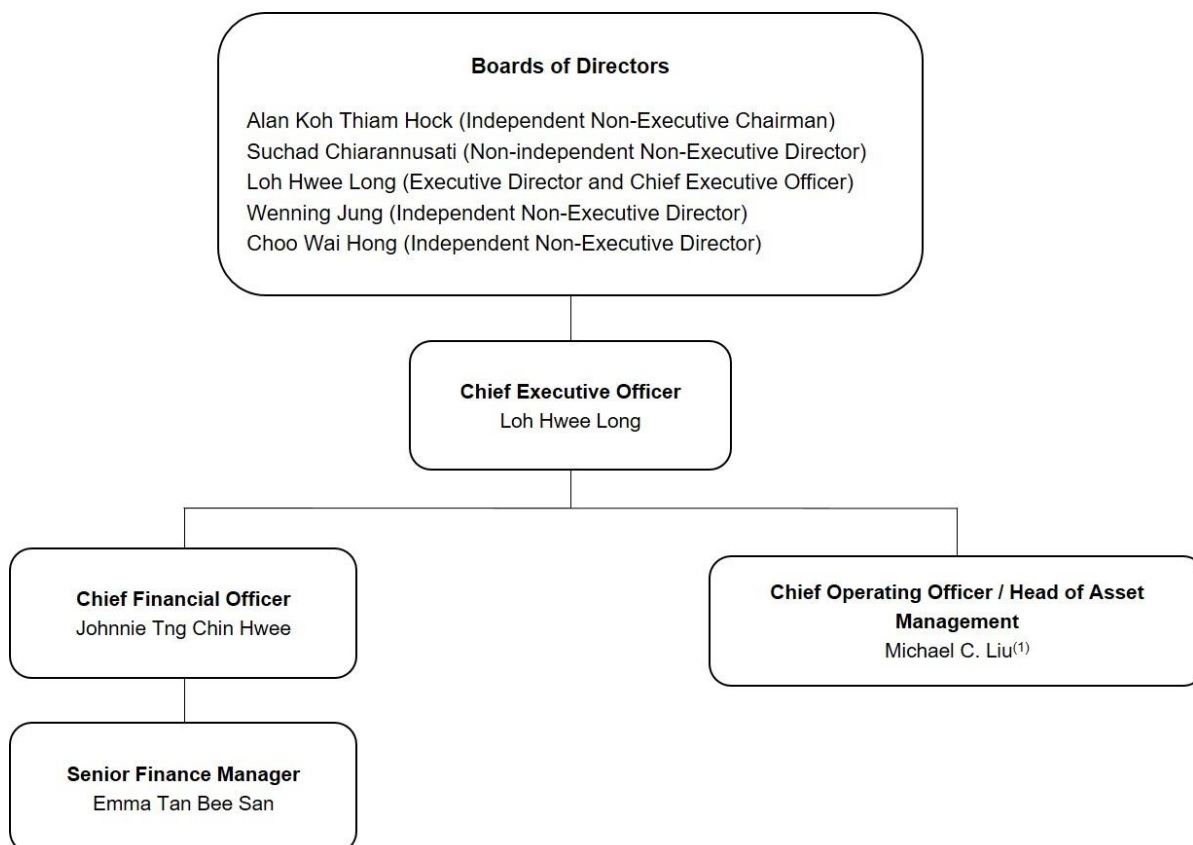
Ms. Tan holds an ACCA professional qualification. She is also a non-practising member of the Institute of Singapore Chartered Accountants.

¹³ Mr. Michael C. Liu is intended to be employed under the New REIT Manager only.

3. Corporate Governance of the New Managers

The following outlines the main corporate governance practices of the New Managers.

3.1 Management Reporting Structure of the New Managers



Note:

(1) Mr. Michael C. Liu is intended to be employed under the New REIT Manager only.

3.2 The New Boards

The New Boards are responsible for the overall corporate governance of the New Managers including establishing goals for management and monitoring the achievement of these goals. The New Managers are also responsible for the strategic business direction and risk management of EH-REIT and, as the case may be, EH-BT. All the members of the New Boards participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and review of performance of directors.

The New Boards have established a framework for the management of the New Managers and EH-REIT and, as the case may be, EH-BT, including a system of internal controls and a business risk management process. The New Boards consist of five (5) members, three (3) of whom are independent directors.

3.2.1 The Nominating and Remuneration Committees

The role of the Nominating and Remuneration Committees (the “**NRC**”) is to make recommendations to the New Boards on all appointment and remuneration matters. The NRC also reviews and makes recommendations on succession plans for the New Boards and the executive officers. As at the Latest Practicable Date, the members of the NRC are Ms. Choo Wai Hong, Ms. Wenning Jung and Mr. Alan Koh Thiam Hock, all of whom are independent directors. Ms. Choo Wai Hong has been appointed as the Chairman of the

APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS

NRC.

The NRC's responsibilities also include:

- developing a process for evaluation of the performance of the New Boards, the board committees and directors;
- reviewing the training and professional development programs for the New Boards;
- the appointment and re-appointment of directors (including alternate directors, if any);
- determining annually, and as when circumstances require, if a director is independent;
- deciding if a director is able to and has been adequately carrying out his duties as a director of the company, taking into consideration the director's principal commitments;
- reviewing and recommending to the New Boards a general framework of remuneration for the New Boards and the executive officers;
- reviewing and recommending to the New Boards the specific remuneration packages for each director as well as for the executive officers; and
- reviewing EHT's obligations arising in the event of termination of executive directors' and executive officers' contracts of service and ensuring that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Process for appointment of new directors and succession planning for the New Boards

The NRC is responsible for reviewing the succession plans for the New Boards (in particular, the Chairman). In this regard, it will put in place a formal process for the renewal of the New Boards and the selection of new directors, as follows:

- (a) The NRC will review annually the balance and diversity of skills, experience, gender and knowledge required by the New Boards and the size of the New Boards which would facilitate decision-making;
- (b) In light of such review and in consultation with management, the NRC will assess if there are any inadequate representations in respect of those attributes and if so, will prepare a description of the role and the essential and desirable competencies for a particular appointment;
- (c) External help (for example, the Singapore Institute of Directors, search consultants, open advertisement) will be used to source for potential candidates if need be. Directors and management may also make suggestions;
- (d) Meetings with the shortlisted candidates to assess suitability and to ensure that the candidate(s) are aware of the expectations and the level of commitment required; and
- (e) The NRC makes recommendations to the New Boards for approval.

The New Boards believe that orderly succession and renewal is achieved as a result of careful planning, where the appropriate composition of the New Boards is continually under review.

APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS

Criteria for appointment of new Directors

All new appointments are subject to the recommendations of the NRC based on the following objective criteria:

- (a) Integrity;
- (b) Independent mindedness;
- (c) Diversity – possess core competencies that meet the current needs of the New Managers, EH-REIT and, as the case may be, EH-BT and complement the skills and competencies of the existing directors on the New Boards;
- (d) Able to commit time and effort to carry out duties and responsibilities effectively;
- (e) Track record of making good decisions;
- (f) Experience in high-performing corporations or property funds; and
- (g) Financially literate.

Review of Directors' independence

The NRC is charged with reviewing the “independence” status of directors annually and providing its views to the New Boards. The New Boards will bear in mind the definition of an “independent director” in the Code of Corporate Governance 2018 and guidance as to relationships the existence of which would deem a Director not to be independent, as set out in the Securities and Futures (Licensing and Conduct of Business) Regulations (“**SFR(LCB)**”) when making such determination.

- ***Directors' independence under the SFR(LCB)***

Under the SF(LCB)R, a director is considered not to be independent from every substantial shareholder of the New REIT Manager and every substantial unitholder of EH-REIT if, among others, the director is a director of a related corporation or an associated corporation of the New REIT Manager. However, under the SF(LCB)R, a director who is not considered to be independent from every substantial shareholder of the New REIT Manager and every substantial unitholder of EH-REIT may nevertheless be treated as an independent director of the New REIT Manager if the Board of the New REIT Manager (the “**New REIT Board**”) is satisfied that the director is able to act in the best interests of all the unitholders of EH-REIT as a whole.

Under Regulation 13H(1) of the SF(LCB)R, where a substantial shareholder of a manager of a REIT is a corporation, a person would be considered to be connected to that substantial shareholder if he is, inter alia, a director of the substantial shareholder or a director of a related corporation or an associated corporation of the substantial shareholder. Such person will *prima facie* not be deemed to be independent unless the directors nevertheless regard him to be independent.

Both New Managers have the same shareholder and are related corporations and as EH-REIT and EH-BT are stapled, the directors of both New Managers are identical to avoid any differences or deadlock in the operation of the stapled group. As a result, all three (3) independent directors of the New REIT Manager, namely Mr. Alan Koh Thiam Hock, Ms. Choo Wai Hong and Ms. Wenning Jung will *prima facie* be deemed to be connected to a substantial shareholder of the New REIT Manager and hence not independent pursuant to Regulation 13H of the SF(LCB)R.

Against the foregoing, the New REIT Board has reviewed and assessed the independence of each of the three (3) independent directors of the New REIT

APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS

Manager in relation to Regulation 13H of the SF(LCB)R and has pursuant to Regulation 13D(8) of the SF(LCB)R, resolved that notwithstanding that each of the three (3) independent directors is a director of both the New Managers, on the basis that:

- for so long as EH-BT is stapled to EH-REIT, there will be no real prejudice to the interests of the holders of EH-REIT Units for both the New Managers to have the same board of directors as EH-REIT Units and EH-BT Units will be stapled together and held by the same investors. The stapling together of EH-REIT Units and EH-BT Units means that the holders of EH-REIT Units are at the same time the investors of the Stapled Securities, who stand to benefit as a whole regardless of whether the appointed directors of the New REIT Manager are independent of the substantial shareholders of the New REIT Manager; and
- since the EH-BT Units and EH-REIT Units are held by the same pool of investors in the same proportion, concerns and potential abuses applicable to interested person/party transactions will be absent in transactions between EH-REIT and EH-BT,

the New REIT Board is satisfied that the three (3) independent directors' independent judgment and ability to act with regard to the interests of all the Stapled Securityholders as a whole will not be impaired.

- ***Directors' independence under the Business Trusts Regulation***

Please refer to Paragraph 2.4.9 of the Letter to Stapled Securityholders for details on the exemptions which are being sought from the MAS in respect of Regulations 12(1) and 13(1)(b) of the BTR.

- ***Review of Independence***

For the purposes of Regulation 13G of the SFR(LCB) and Regulation 3 of the BTR, the New Managers note that the New Managers are held by SCCPRE, which is in turn majority owned and controlled by Mr. Suchad Chiaranussati. SC Capital Partners is also separately majority owned and controlled by Mr. Suchad Chiaranussati. As Mr. Suchad Chiaranussati (being the common majority shareholder) is an individual, SC Capital Partners and the New Managers would not be considered related corporations (as defined in Section 4(1) of the Companies Act) and SC Capital Partners would not be a "relevant person" within the meaning of Regulation 13G of the SFR(LCB). Accordingly, the list of circumstances under Regulation 13G(2) of the SFR(LCB) and Regulation 3(3) of the BTR under which a director of the New Managers shall not be considered independent of business relationships with the New Managers or their related corporations, would not apply to the relationships which such director may have with SC Capital Partners.

Nonetheless, for completeness, the New Managers note that Ms. Wenning Jung's previous employer, Franklin Templeton, is a professional fund manager and managed funds which had investments into funds managed by SC Capital Partners. In connection with such investments, the funds managed by Franklin Templeton would have received distributions arising from their investments into the funds managed by SC Capital Partners, including during the immediate past financial year (i.e. 2019) when Ms. Jung was employed in Franklin Templeton.

The New Boards note that SC Capital Partners is not a "related corporation" of either the New Managers nor a "relevant person" of the New REIT Manager for purposes of Regulation 13G of the SFR(LCB). Accordingly, the abovementioned relationships with respect to Ms. Jung's previous employer does not fall within one of the circumstances set out in Regulation 13G of the SFR(LCB) or, as the case may be, Regulation 3 of the BTR which would impinge on Ms. Jung's independence.

APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS

Nonetheless for purposes of good corporate governance, the New Boards have considered the relationships described above, and assessed that despite these relationships, Ms. Jung's independent judgment and ability to act with regard to the interests of all the Stapled Securityholders as a whole will not be interfered with, and is satisfied that she is able to act in the best interests of all the Stapled Securityholders as a whole. The New Boards have reached their conclusion on the following basis:

- Franklin Templeton's approval process for investments into the SC Capital Partners-managed funds did not solely involve Ms. Jung, and Ms. Jung did not have sole executive authority for these investments within Franklin Templeton. Investment decisions would be made by the relevant investment committee (of which Ms. Jung was one of several members).
- As a professional fund manager of third-party monies, Franklin Templeton had invested into SC Capital Partners' funds on an arms' length basis, similar to any other investor into SC Capital Partners' funds, and receives its distribution in accordance with the terms of the fund documents. Franklin Templeton did not enjoy any special discretionary payments which are not available to other fund investors. Furthermore, SC Capital Partners would be just one of various third party fund managers which Franklin Templeton would utilise.
- Ms Jung left Franklin Templeton since December 2019, and is no longer involved in the fund management decisions of Franklin Templeton. In any case, the New Boards note that even if the New Managers and SC Capital Partners were considered to be "related corporations", the circumstances under Regulation 13G(2)(a) of the SFR(LCB) and Regulation 3(3)(a) of the BTR would no longer apply by January 2021 (as Ms. Jung's employment with Franklin Templeton would no longer be within the current or immediately preceding financial year covered by the foregoing regulations).

Annual review of Directors' time commitments

The NRC also determines annually whether a Director with other listed company board representations and other principal commitments is able to and has been adequately carrying out his or her duties as a Director of the New Managers. The NRC will take into account the results of the annual assessment of the effectiveness of the individual Director, and the respective directors' actual conduct on the New Boards, in determining whether all the directors have been able to and have adequately carried out their duties as director notwithstanding their other listed company board representations and other principal commitments.

The NRC will adopt internal guidelines addressing competing time commitments that are faced when directors serve on multiple boards and have other principal commitments.

3.2.2 The Audit and Risk Committees

As EH-BT is intended to be activated, and will be an active business trust, the New Trustee-Manager will constitute an Audit and Risk Committee.

The Audit and Risk Committees of the New Managers are appointed by the New Boards from among the directors and are composed of three (3) non-executive members, a majority of whom (including the Chairman of the Audit and Risk Committees) are required to be directors independent from management and business relationships with the New Managers.

As at the Latest Practicable Date, the members of the Audit and Risk Committees will be Ms. Wenning Jung, Mr. Alan Koh Thiam Hock and Ms. Choo Wai Hong, all of whom are

APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS

independent directors. Ms. Wenning Jung has been appointed as the Chairman of the Audit and Risk Committees.

The role of the Audit and Risk Committees is to monitor and evaluate the effectiveness of the New Managers' internal controls. The Audit and Risk Committees will review the quality and reliability of information prepared for inclusion in financial reports, and will be responsible for the nomination of external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance.

The Audit and Risk Committees' responsibilities include:

- Reviewing financial statements and formal announcements relating to financial performance, and review significant financial reporting issues and judgments contained in them, for better assurance of the integrity of such statements and announcements.
- Reviewing and reporting to the New Boards at least annually the adequacy and effectiveness of the New Managers', EH-REIT's and, as the case may be, EH-BT's risk management and internal controls, including financial, operational, compliance (including processes to mitigate conflicts of interests in respect of the sourcing of potential acquisitions) and information technology controls (such review can be carried out internally or with the assistance of any competent third parties).
- Reviewing the audit plans and reports of the external auditors and internal auditors, and considering the effectiveness of actions or policies taken by management on the recommendations and observations.
- Reviewing any actual or potential conflicts of interest that may involve the directors of the New Boards as disclosed by them to the New Boards (including where such director is involved in the management of or have shareholding interests in similar or related business as the New Managers). Upon disclosure of an actual or potential conflict of interest by a director, the Audit and Risk Committees will consider whether a conflict of interest does in fact exist. A director who is a member of the Audit and Risk Committees will not participate in any proceedings of the Audit and Risk Committees in relation to the review of a conflict of interest relating to him. The review will include an examination of the nature of the conflict and such relevant supporting data, as the Audit and Risk Committees may deem reasonably necessary.
- Reviewing the independence and objectivity of external auditors annually.
- Reviewing the nature and extent of non-audit services performed by external auditors.
- Meeting with external and internal auditors, without the presence of management, at least annually.
- Making recommendations to the New Boards on the proposals to Unitholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors.
- Reviewing the adequacy and effectiveness of the New Managers', EH-REIT's and, as the case may be, EH-BT's internal audit function, at least annually.
- Ensuring at least annually that the internal audit function is adequately resourced and has appropriate standing with the New Managers, EH-REIT and, as the case may be, EH-BT.
- Approving the accounting/auditing firm or corporation to which the internal audit function is outsourced.

APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS

- Reviewing the policy and arrangements by which employees of the New Managers and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow up action to be taken.
- Monitoring the procedures in place to ensure compliance with applicable legislation, the Listing Manual and (in relation to EH-REIT) the CIS Code (including the Property Funds Appendix).
- Reviewing related party transactions, including ensuring compliance with the provisions of the Listing Manual relating to “interested person transactions” and (in relation to EH-REIT) the provisions of the Property Funds Appendix relating to “interested party transactions” (collectively, the “**Related Party Transactions**”).
- Investigating any matters within the Audit and Risk Committees’ purview, whenever it deems necessary.
- Obtaining recommendations on risk tolerance and strategy from management, and where appropriate, reporting and recommending to the New Boards for their determination:
 - The nature and extent of significant risks which the New Managers, EH-REIT and, as the case may be, EH-BT may take in achieving its strategic objectives; and
 - Overall levels of risk tolerance and risk policies.
- Reviewing and discussing, as and when appropriate, with management on the New Managers’, EH-REIT’s and, as the case may be, EH-BT’s risk governance structure and their risk policies, risk mitigation and monitoring processes and procedures.
- Receiving and reviewing at least quarterly reports from management on major risk exposures and the steps taken to monitor, control and mitigate such risks.
- Reviewing the New Managers’ capability to identify and manage new risk types.
- Reviewing and monitoring management’s responsiveness to the recommendations of the Audit and Risk Committees.
- Providing timely input to the New Boards on critical risk issues and reporting to the New Boards on material matters, findings and recommendations.
- Monitoring and reviewing of hedging policies and instruments to be implemented by EH-REIT or, as the case may be, EH-BT.
- Reviewing and making recommendations to the New Boards on hedging policies and monitoring the implementation of such policies.

3.3 Management of Business Risk

The New Boards will meet quarterly or more frequently if necessary and will review the financial performance of EH-REIT and, as the case may be, EH-BT against the budget previously approved by the New Boards for the relevant financial year. The New Boards will also review the business risks of EH-REIT and, as the case may be, EH-BT, examine liability management and will act upon any comments from both the internal and external auditors of EH-REIT and, as the case may be, EH-BT.

APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS

The New Managers have in place experienced and well-qualified management personnel to handle the day-to-day operations of EHT. In assessing business risk, the Board will consider the economic environment and risks relevant to the hospitality and hospitality-related industries. It will review management reports and feasibility studies on individual development projects prior to approving major transactions. The management will meet regularly to review the operations of the New Managers, EH-REIT and, as the case may be, EH-BT and discuss any disclosure issues.

3.4 Conflicts of Interest

Each of the New Managers is required to prioritise the interests of Stapled Securityholders over those of the New Managers and their shareholders in the event of a conflict of interest.

The New Managers have instituted the following procedures to deal with conflicts of interest issues:

3.4.1 Procedures implemented by the New REIT Manager

- (a) The New REIT Manager will not manage any other REIT which invests in the same type of properties as EH-REIT.
- (b) All executive officers will be employed by the New REIT Manager and will not hold executive positions in any other entities, save for corresponding positions in the New Trustee-Manager and any wholly-owned subsidiaries of the New Managers.
- (c) All resolutions in writing of the directors of the New REIT Manager in relation to matters concerning EH-REIT must be approved by a majority of the directors, including at least one (1) independent Director.
- (d) A majority of the New REIT Board will comprise independent directors.
- (e) In respect of matters in which a Director or his associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the directors of the New REIT Manager and must exclude such interested director.
- (f) In respect of matters in which Mr. Chiaranussati has an interest, direct or indirect, for example, in matters relating to:
 - potential acquisitions of additional properties or property-related investments by EH-REIT which are in competition with SCCPRE and/or other funds or REITs managed by entities owned by Mr. Chiaranussati; and/or
 - competition for tenants, hotel management operators and hotel franchisors between properties owned by EH-REIT and properties owned by SCCPRE and/or other funds or REITs managed by entities owned by Mr. Chiaranussati,any nominees appointed by Mr. Chiaranussati and/or SCCPRE to the New REIT Board to represent their interests will abstain from deliberations and voting on such matters. In such matters, the quorum must comprise a majority of the independent directors of the New REIT Manager and must exclude nominee directors of Mr. Chiaranussati and/or SCCPRE.
- (g) Save as to resolutions relating to the removal of the New REIT Manager, the New REIT Manager and its associates are prohibited from voting or being counted as part of a quorum for any meeting of Stapled Securityholders convened to approve any matter in which the New REIT Manager and/or any of its associates has an interest.

APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS

In addition, for so long as the New REIT Manager is the manager of EH-REIT, the controlling shareholders of the New REIT Manager and any of their associates are prohibited from voting or being counted as part of a quorum for any meeting of Stapled Securityholders convened to consider a matter in respect of which the relevant controlling shareholders of the New REIT Manager and/or any of their associates have an interest.

- (h) In relation to transactions entered into or to be entered into by the EH-REIT Trustee for and on behalf of EH-REIT with an “interested person” (as defined in the Listing Manual) and/or, as the case may be, an “interested party” (as defined in the Property Funds Appendix) (collectively, a “**Related Party**”) of the New REIT Manager or EH-REIT, the EH-REIT Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of EH-REIT and the holders of units in EH-REIT, and in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question. Further, the EH-REIT Trustee has the ultimate discretion under the EH-REIT Trust Deed to decide whether or not to enter into a transaction involving the Related Party. If the EH-REIT Trustee is to sign any contract with such Related Party, the EH-REIT Trustee will review the contract to ensure that it complies with the relevant requirements relating to transactions with Related Parties (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to REITs.

3.4.2 Procedures implemented by the New Trustee-Manager

- (a) All executive officers will be employed by the New Trustee-Manager and will not hold executive positions in any other entities, save for corresponding positions in the New REIT Manager and any wholly-owned subsidiaries of the New Managers.
- (b) All resolutions in writing of the directors of the New Trustee-Manager in relation to matters concerning EH-BT must be approved by a majority of the directors, including at least one (1) independent director.
- (c) In respect of matters in which a Director or his associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the directors and must exclude such interested director.
- (d) In respect of matters in which Mr. Chiaranussati has an interest, direct or indirect, for example, in matters relating to:
- potential acquisitions of additional properties or property-related investments by EH-BT which are in competition with SCCPRE and/or other funds or REITs managed by entities owned by Mr. Chiaranussati; and/or
 - competition for tenants, hotel management operators and hotel franchisors between properties owned by EH-BT and properties owned by SCCPRE and/or other funds or REITs managed by entities owned by Mr. Chiaranussati,

any nominees appointed by Mr. Chiaranussati and/or SCCPRE to the Board of Directors of the New Trustee-Manager to represent their interests will abstain from deliberations and voting on such matters. In such matters, the quorum must comprise a majority of the independent directors of the New Trustee-Manager and must exclude nominee directors of Mr. Chiaranussati and/or SCCPRE.

- (e) Save as to resolutions relating to the removal of the New Trustee-Manager, the New Trustee-Manager and its associates are prohibited from voting or being counted as part of a quorum for any meeting of Stapled Securityholders convened

APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS

to approve any matter in which the New Trustee-Manager and/or any of its associates has an interest.

In addition, for so long as the New Trustee-Manager is the trustee-manager of EH-BT, the controlling shareholders of the New Trustee-Manager and any of their associates are prohibited from voting or being counted as part of a quorum for any meeting of Stapled Securityholders convened to consider a matter in respect of which the relevant controlling shareholders of the New Trustee-Manager and/or any of their associates have an interest.

- (f) In relation to transactions entered into or to be entered into by the New Trustee-Manager for and on behalf of EH-BT with an “interested person” (as defined in the Listing Manual) of the New Trustee-Manager or EH-BT, the Board of the New Trustee-Manager is required to consider the terms of the transactions to satisfy itself that the transactions are conducted on normal commercial terms, are not prejudicial to the interests of EH-BT and EH-BT Unitholders and are in compliance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question. If the New Trustee-Manager is to sign any contract with such “interested person”, the New Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to transactions with “interested persons” (as may be amended from time to time) as well as any other guidelines as may from time to time be prescribed by the MAS and the SGX-ST that apply to business trusts.
- (g) It is also provided in the BT Trust Deed that if the New Trustee-Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the New Trustee-Manager for and on behalf of EH-BT with a Related Party of the New Trustee-Manager, the New Trustee-Manager shall be obliged to consult with a reputable law firm (acceptable to the New Trustee-Manager) who shall provide legal advice on the matter. If the said law firm is of the opinion that the New Trustee-Manager, on behalf of the EH-BT, has a prima facie case against the party allegedly in breach under such agreement, the New Trustee-Manager shall be obliged to take appropriate action in relation to such agreement. The directors of the New Trustee-Manager (including the independent directors) will have a duty to ensure that the New Trustee-Manager so complies.

3.4.3 Additional Measures to be Implemented by Mr. Chiaranussati and SCCPRE

The New Managers note that the wider SC Group includes other REITs as well as private funds managed by SC Capital Partners, which in each case may invest in hospitality assets which may be in competition with the Properties.

While the New Managers have not identified any significant ongoing conflicts of interest, and does not expect any such significant conflicts of interest to develop, at least in the near to medium term, the New Managers do recognise that potential conflicts of interest which may arise in the following areas relating to the other businesses of the wider SC Group:

- (i) where there is an opportunity for EHT to acquire a hospitality asset, which is within the investment mandate of a fund or REIT managed by another entity owned by Mr. Chiaranussati (the “**Relevant SC Fund**”) competing to acquire such asset; or
- (ii) where EHT acquires a hotel which competes with (I) a hotel owned by a Relevant SC Fund, or (II) a hotel managed by a hotel manager owned by Mr. Chiaranussati (a “**SC-Related Hotel Manager**”).

Accordingly, in addition to the procedures to be implemented by the New Managers as described above, Mr. Chiaranussati and SCCPRE intend to implement the following measures, to address the potential conflicts of interest identified above.

APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS

(a) *Competition to acquire assets with a Relevant SC Fund*

The management teams of the New Managers and the Relevant SC Fund will separately source for acquisition opportunities. Information barrier policies will be in place, which will prohibit Mr. Chiaranussati and other persons who sit on both the New Boards and/or the investment committee or boards of a Relevant SC Fund from sharing details of an acquisition opportunity sourced by the management team of one entity with another entity. To the extent an acquisition opportunity comes to the notice of Mr. Chiaranussati at first instance, he will share this acquisition opportunity with both EHT and the Relevant SC Fund.

The New Managers believe that it is unlikely that there will be competition between EHT and a Relevant SC Fund for an acquisition opportunity due to the following reasons:

- The investment objectives and strategies of EHT with respect to acquisitions is different from that of the private funds managed by SC Capital Partners. These private funds are either (i) funds with an investment mandate that does not include hospitality properties, or (ii) opportunistic funds focused on acquiring underperforming properties and improving, enhancing and/or re-positioning them, to realise capital gains and achieve the targeted rate of return within the limited fund life, as opposed to REITs which acquire stabilised income-producing properties with yields which would enable regular and stable distributions to be paid.
- While both EHT and JHR have investment mandates of investing in hospitality properties and which are not geographically restricted, EHT currently only owns hotels in, and its initial focus is on, the United States. Vice versa, JHR currently only owns hotels in Japan with a current investment focus in Japan.

However, in the event that both EHT and a Relevant SC Fund express an interest in acquiring the same asset, both entities will be allowed to compete for the asset.

The executive officers of the New Managers managing EHT and the management of the Relevant SC Fund will be separate and dedicated to their respective fund/REIT. Further, information barriers will be established to prevent exchanges or communications that could lead to conflicts of interest between the New Managers and the Relevant SC Fund, and specifically to maintain confidentiality on matters relating to the acquisition including investment strategies, underwriting information and financial modelling. Both EHT and the Relevant SC Fund which is interested in acquiring such asset will submit separate bids, prepared independently of each other without sharing of information between them, to the seller of the asset. The seller of the asset would select the winning bid and thus determine which entity, if any selected, would be granted the opportunity to purchase the asset.

As set out in paragraphs 3.4.1(f) and 3.4.2(d) above, nominees appointed by Mr. Chiaranussati and/or SCCPRE to the New Boards will abstain from both deliberations and voting on such an acquisition.

In addition, where the Relevant SC Fund is a REIT, Mr. Chiaranussati has agreed that the nominees appointed by Mr. Chiaranussati (and/or an entity he owns) to the board of directors (or equivalent) of the manager of such REIT, shall abstain from both deliberations and voting on the acquisition by the Relevant SC Fund.

(b) *Where EHT acquires a hotel which competes with a hotel owned by a Relevant SC Fund, or a hotel which is managed by a SC-Related Hotel Manager*

APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS

Mr. Chiaranussati and SCCPRE recognise that a conflict of interest may arise in future if EHT acquires a hotel which competes with a hotel owned by a Relevant SC Fund or a hotel managed by a SC-Related Hotel Manager for guests – i.e. where the two (2) hotels are of the same chain scale (e.g. both luxury hotels) and are located in the same geographical hospitality sub-market.

In such an instance, the following additional measures will be in place to further mitigate the conflict of interest:

- (i) the New Managers would appoint a reputable third party hotel manager to manage and operate such hotel acquired by EHT, on a day to day basis;
- (ii) (where the competing hotel is owned by a Relevant SC Fund and already managed by a third party hotel manager) Mr. Chiaranussati has agreed that the competing hotel will continue to be managed by a third party hotel manager;
- (iii) (where the competing hotel is managed by a SC-Related Hotel Manager) Mr. Chiaranussati has agreed that information barriers will be established to prevent exchanges or communications that could lead to conflicts of interest between EHT and the SC-Related Hotel Manager; and
- (iv) the nominees appointed by Mr. Chiaranussati and/or SCCPRE to the New Boards will abstain from both deliberations and voting on EHT's acquisition of such hotel.

In addition, Mr. Chiaranussati has agreed that a SC-Related Hotel Manager will not take on a hotel management contract in respect of a hotel which competes with a hotel owned by EHT for guests – i.e. the two (2) hotels are of the same chain scale (e.g. both luxury hotels) and are located in the same geographical hospitality sub-market.

3.5 Related Party Transactions – Internal Control System

The New Managers will establish an internal control system to ensure that all future Related Party Transactions:

- will be undertaken on normal commercial terms in accordance with the relevant laws, regulations and guidelines that apply to EH-REIT and, as the case may be, EH-BT; and
- will not be prejudicial to the interests of EHT and the Stapled Securityholders.

As a general rule, the New Managers must demonstrate to the Audit and Risk Committees that such transactions satisfy the foregoing criteria, which may entail:

- obtaining (where practicable) quotations from parties unrelated to the New Managers; or
- obtaining valuations from independent professional valuers (in accordance with the Property Funds Appendix).

The New Managers will maintain a register to record all Related Party Transactions which are entered into by EH-REIT and, as the case may be, EH-BT, and the bases, including any quotations from unrelated parties and independent valuations obtained to support such bases, on which they are entered into.

The New Managers will also incorporate into their internal audit plan a review of all Related Party Transactions entered into by EH-REIT and, as the case may be, EH-BT. The Audit and Risk Committees shall review the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been

APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS

complied with. In addition, in relation to EH-REIT, the EH-REIT Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix have been complied with. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Audit and Risk Committees.

If a member of the Audit and Risk Committees has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

Further, the following procedures will be undertaken:

- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding S\$100,000 in value but less than 3.0% of the value of EH-REIT's or, as the case may be, EH-BT's NTA (based on the latest audited accounts) will be subject to review by the respective Audit and Risk Committee at regular intervals;
- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of EH-REIT's or, as the case may be, EH-BT's NTA (based on the latest audited accounts) will be subject to the review and prior approval of the respective Audit and Risk Committee. Such approval shall only be given if such transaction is on normal commercial terms and is consistent with similar types of transactions made by the EH-REIT Trustee or, as the case may be, EH-BT with third parties which are unrelated to the New Managers; and
- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 5.0% of the value of EH-REIT's or, as the case may be, EH-BT's NTA (based on the latest audited accounts) will be reviewed and approved prior to such transaction being entered into, on the basis described in the preceding paragraph, by the respective Audit and Risk Committee which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers.

Further, under the Listing Manual and (in the case of EH-REIT) the Property Funds Appendix, such transaction would have to be approved by the Stapled Securityholders at a meeting duly convened. Pursuant to the Listing Manual, transactions with a value below S\$100,000 are disregarded on the ground that they do not put EH-REIT or, as the case may be, EH-BT at risk. Accordingly, such transactions are excluded from aggregation with other transactions involving the same Related Parties.

EH-REIT and EH-BT will comply with Rule 905 of the Listing Manual by announcing any "interested person transaction" in accordance with the Listing Manual if such transaction, by itself or when aggregated with other "interested person transactions" entered into with the same "interested person" (as defined in the Listing Manual) during the same financial year, is 3.0% or more of the value of EH-REIT's or, as the case may be, EH-BT's latest audited NTA.

The aggregate value of all "interested person transactions" in accordance with the Listing Manual in a particular year, each of at least S\$100,000 in value and which are subject to Rules 905 and 906 of the Listing Manual, will be disclosed in EHT's annual report for the relevant financial year.

Role of the Audit and Risk Committees for Related Party Transactions

The Audit and Risk Committees will monitor the procedures established to regulate Related Party Transactions, including reviewing any Related Party Transactions entered into from time to time and the internal audit reports to ensure compliance with the relevant provisions of the Listing Manual and (in the case of EH-REIT) the Property Funds Appendix.

If a member of the Audit and Risk Committees has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS

4. Information under Appendix 7.4.1 of the Listing Manual

Save as disclosed below, as at the Latest Practicable Date, none of the directors of the New Managers and key management personnel of the New Managers as named in this Circular, has:

- (a) at any time during the last 10 years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or her or against a partnership of which he or she was a partner at the time he or she was a partner or at any time within 2 years after the date he or she ceased to be a partner;
- (b) at any time during the last 10 years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he or she was a director or an equivalent person or a key executive, at the time when he or she was a director or an equivalent person or a key executive of that entity, or at any time within 2 years after the date he or she ceased to be a director or an equivalent person or a key executive of that entity, for the winding-up or dissolution of that entity or, where the entity is the trustee of a business trust, that business trust, on the ground of insolvency;
- (c) any unsatisfied judgment against him or her;
- (d) ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he or she is aware) for such purpose;
- (e) ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he or she is aware) for such breach;
- (f) at any time during the last 10 years, had judgment entered against him or her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his or her part, or been the subject of any civil proceedings (including any pending civil proceedings of which he or she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his or her part;
- (g) ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- (i) ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him or her from engaging in any type of business practice or activity;
- (j) ever, to his or her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

APPENDIX B – FURTHER INFORMATION ON THE NEW MANAGERS

- (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he or she was so concerned with the entity or business trust; and

- (k) been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the MAS or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Mr. Johnnie Tng Chin Hwee

In relation to sub-paragraph (k) above, in 2014, Mr. Johnnie Tng was fined S\$3,000 and banned from driving for 2 years under the Road Traffic Act for driving while under the influence of alcohol.

APPENDIX C – LIST OF DIRECTORSHIPS OF THE PROPOSED DIRECTORS OF THE NEW MANAGERS

The list of present and past directorships for the five (5) years prior to the Latest Practicable Date of the proposed directors of the New Managers is set out below:

Name of Director	Present Directorships	Past Directorships (for a period of five (5) years prior to the Latest Practicable Date)
Mr. Alan Koh Thiam Hock	SCCPRE Hospitality Business Trust Management Pte. Ltd.	Asian American Merchant Bank Limited
	SCCPRE Hospitality REIT Management Pte. Ltd.	BankAmerica Nominees (1993) Pte Ltd
	City Developments Limited	Bank of America Singapore Limited
Mr. Suchad Chiaranussati	SCCPRE Hospitality Business Trust Management Pte. Ltd.	Apex Three Co., Ltd.
	SCCPRE Hospitality REIT Management Pte. Ltd.	Bangkok Office 2 Company Limited
	SCCPRE Nineteen (S) Pte. Ltd.	Bangkok Office 2 Holding Company Limited
	Agrinno Tech Co Ltd	Bangsak Long Beach Co., Ltd.
	Asia Hospitality REIT Advisors Co., Ltd	ESB Five Co., Ltd.
	Bactoclear Holding Pte. Ltd.	ESB Four Co., Ltd.
	Caramal Crisp (Thailand) Co., Ltd.	ESB One Co., Ltd.
	Chiaranus Holdings Co., Ltd	ESB Two Co., Ltd.
	Dolruetai Co., Ltd	Exchange Connection Ltd.
	Earning Profit Holdings Limited	Exchange Tower Ltd.
	GangaGen Inc.	Fena Estate Company Limited
	Garett Japan GK	Goldshine Co., Ltd.
	Japan Hotel REIT Advisors Co., Ltd.	Haadsabai Co., Ltd.
	Kanemasu Sake Co., Ltd	Lamai Ville Co., Ltd.
	Krungthep Rimnam Limited	M Residence Co., Ltd.
	Moonship Co Ltd	Pearl Gate Investments Limited
	MR Sukhumvit Co., Ltd	SC Management Ltd.
	Napapornthip Co., Ltd	SCCP (Thailand) Company Limited
	Narwhal Holdings Ltd	SCCP One Company Limited
	Nativis Pte. Ltd.	SCCP Two Company Limited
Nouzino Pte. Ltd. (in liquidation members voluntary winding-up)	SCG Capital Partners II Limited	
Phoenix China Limited	SCG Capital Partners Limited	
Phuket Square Co., Ltd	Sinnsubolarn Co., Ltd.	
Princess Health and Spa Beach Resort Co., Ltd.	Sinnsubpakin Co., Ltd.	

APPENDIX C – LIST OF DIRECTORSHIPS OF THE PROPOSED DIRECTORS OF THE NEW MANAGERS

	Rise Synergy Investments Limited	Suan Wangtan Co., Ltd
	Rockrise Sdn Bhd	Surin Resort Co., Ltd
	SC Capital Holdings Ltd	Victory (Thailand) Co., Ltd.
	SC Capital Partners (Thailand) Company Limited	
	SC Capital Partners HK Limited	
	SC Capital Partners Pte. Ltd.	
	SC Core Manager Ltd	
	SCCP Asset Management Pte. Ltd.	
	SCCP REIT Co., Ltd.	
	SCG Capital Partners III Limited	
	SCG Capital Partners IV Limited	
	SCG Capital Partners V Limited	
	SCJ- Holdings Pte. Ltd.	
	SCJ One (S) Pte. Ltd.	
	SCJ Two (S) Pte. Ltd.	
	Solide Holdings Pte. Ltd.	
	Sustainable Innovations Private Limited	
	Sustainable Leafy Private Limited	
	Thailand Shareholder Investments Limited	
	Three Good Friends Private Limited	
	THRF Capital Partners Limited	
	Univanich Palm Oil Public Company Limited	
	Wise Apex Ventures Limited	
	Worldroamer Pte. Ltd.	
Mr. Loh Hwee Long	SCCPRE Hospitality Business Trust Management Pte. Ltd.	Mapletree Real Estate Advisors Pte. Ltd.
	SCCPRE Hospitality REIT Management Pte. Ltd.	Keppel Capital Ventures Pte. Ltd.
	Ruyi Asset Management Pte. Ltd. ¹⁴	Keppel Education Asset Fund (GP) Pte. Ltd.
		KEAF Investments Pte. Ltd.

¹⁴ Mr. Loh Hwee Long will be resigning his directorship in Ruyi Asset Management Pte. Ltd.

APPENDIX C – LIST OF DIRECTORSHIPS OF THE PROPOSED DIRECTORS OF THE NEW MANAGERS

Ms. Wenning Jung	SCCPRE Hospitality Business Trust Management Pte. Ltd.	
	SCCPRE Hospitality REIT Management Pte. Ltd.	
Ms. Choo Wai Hong	SCCPRE Hospitality Business Trust Management Pte. Ltd.	OAI Mauritius Limited
	SCCPRE Hospitality REIT Management Pte. Ltd.	

APPENDIX D – PROPOSED BASE FEE SUPPLEMENT (EH-REIT)

The proposed form of the Proposed Base Fee Supplement (EH-REIT) for the EH-REIT Trust Deed is as follows:

- that Clause 1.1 be amended to reflect the additions as indicated by the underlined text:

“**BT Base Fee**” means the Base Fee (as defined in Clause 14.1.1 of the SCCP BT Trust Deed) under the SCCP BT Trust Deed;

“**Effective Date**” means [to be inserted];

- that Clause 15.1.1(i) be amended to reflect the additions as indicated by the underlined text:

“The Manager shall be entitled to receive for its own account out of the Deposited Property the Base Fee, being:

(a) (up to (and including) 31 December 2020) a fee not exceeding the rate of 10.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the Annual Distributable Income;

(b) (for the period commencing on and from the Effective Date and up to the end of the Financial Year ending on 31 December 2023) a fee not exceeding the higher of:

(i) the Minimum Fee; and

(ii) the rate of 10.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the Annual Distributable Income; and

(c) (on and from 1 January 2024) a fee not exceeding the rate of 10.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the Annual Distributable Income (for the purposes of this Clause 15.1.1, the “permitted limit”),

(the “**Base Fee**”). For the purposes of this Clause 15.1:

(i) the “**Minimum Fee**” means in respect of each of the Financial Years ending 31 December 2021, 31 December 2022 and 31 December 2023, the Minimum Sum, and provided that for so long as the Trust is part of a Stapled Group, the Minimum Sum shall be reduced by an amount equal to any BT Base Fee payable to the SCCP BT Trustee-Manager in respect of the relevant period; and

(ii) “**Minimum Sum**” means in respect of (i) the Financial Year ended 31 December 2021, an amount equal to US\$4.5 million multiplied by the number of days between (and including) the Effective Date and 31 December 2021) and divided by 365 days, (ii) the Financial Year ending 31 December 2022, an amount equal to US\$4.5 million and (iii) the Financial Year ending 31 December 2023, an amount equal to US\$4.5 million.”

- that Clause 15.1.1(ii) be amended to reflect the additions as indicated by the underlined text and the deletion as indicated by the strikethrough text:

“In relation to Clause 15.1.1(i)(c) above, ~~the~~ Manager shall be entitled to alter the rate of the Base Fee to some percentage smaller than the prevailing rate by notice to the Trustee in writing and shall also be entitled to alter such rate to some percentage higher than the prevailing rate (but within the permitted limit) by giving written notice of any such alteration to all Holders, the Trustee and the Depository (in respect of the Depositors) of not less than three months prior to the date of effect thereof. Any increase in the rate of the Base Fee above the permitted limit or any change in the structure of the Base Fee shall be approved by an Extraordinary Resolution of a meeting of Holders, duly convened and held in accordance with the provisions of Schedule 1.”

APPENDIX D – PROPOSED BASE FEE SUPPLEMENT (EH-REIT)

- that Clause 15.1.1(iii) be amended to reflect the additions as indicated by the underlined text:

“The Base Fee shall accrue on each day of each calendar quarter, or such other period as may be agreed between the Manager and the Trustee, in respect of the period up to and including the last day of that calendar quarter, or such other period as may be agreed between the Manager and the Trustee. The amount accruing on each day of each calendar quarter, or such other period as may be agreed between the Manager and the Trustee, shall be a sum equal to the appropriate percentage of the Annual Distributable Income or (if applicable) the Minimum Fee, on the last day of the calendar quarter, or such other period as may be agreed between the Manager and the Trustee, multiplied by the number of days in the relevant period and divided by 365 or as the case may be, 366 in the case of a leap year. The “**appropriate percentage**” shall be the rate of Base Fee applicable on the relevant day.”

- that Clause 15.1.4(i) be amended to reflect the additions as indicated by the underlined text and the deletions as indicated by the strikethrough text:

“Subject to the Relevant Laws, Regulations and Guidelines, the Management Fees shall be payable in cash or, at the election of the Manager, in Units (or Stapled Securities, where the Trust is part of a Stapled Group), or a combination both, such election to be made by the delivery of a notice in writing prior to each payment of the Management Fees, ~~and irrevocable once made~~. Where the Base Fee and/or the Performance Fee is payable in the form of Units or Stapled Securities (where the Trust is part of a Stapled Group), such payment shall be made within 30 days of the last day of every calendar quarter (in relation to the Base Fee) and every Financial Year (in relation to the Performance Fee), or such longer period as the Manager may determine in the event that the Base Fee and/or Performance Fee cannot be computed within 30 days of the last day of the relevant period or such other period as may be agreed between the Manager and the Trustee, in arrears. If the Manager elects to receive any part of the Management Fees in the form of Units or Stapled Securities, it shall make an announcement on the SGXNET within five Business Days after the delivery of its written notice.”

- that Clause 15.1.4(ii) be amended to reflect the additions as indicated by the underlined text:

“Subject to Clause 15.1.3, where the Base Fee is payable in the form of Cash, such payment shall be made out of the Deposited Property (or as the case may be the relevant Special Purpose Vehicles) within 30 days of the last day of every calendar month (or such longer period as the Manager may determine in the event that the Base Fee cannot be computed within 30 days of the last day of the relevant period or such other period as may be agreed between the Manager and the Trustee) in arrears and in the event that Cash is not available out of the Deposited Property (or as the case may be the relevant Special Purpose Vehicles) to make the whole or part of such payment, then payment of such Base Fee due and payable to the Manager shall be deferred to the next calendar month when Cash is available out of the Deposited Property (or as the case may be the relevant Special Purpose Vehicles).”

- that Clause 15.1.4(iii) be amended to reflect the additions as indicated by the underlined text:

“The Base Fee for every calendar month shall be computed based on the management accounts of the Trust (or as the case may be the relevant Special Purpose Vehicles in accordance with Clause 15.6) for the relevant calendar month and (in the case where the Minimum Fee applies) the Base Fee for such calendar month would be an amount equal to the Minimum Sum divided by 12 (save that for the Financial Year ending 31 December 2021, the amount for a calendar month would be equal to the Minimum Sum multiplied by the number of days in the calendar month divided by 365 days (and for the first calendar month on which the Effective Date occurs, the number of days in the calendar month will be the number of days from (and including) the Effective Date until the end of the first calendar month)), and for so long as the Trust is part of a Stapled Group, less any BT Base Fee payable to the SCCP BT Trustee-Manager in respect of such calendar month. The Base Fee shall be adjusted based on the management accounts of the Trust (or as the case may be the relevant Special Purpose Vehicles in accordance with Clause 15.6) reviewed by the Auditors for such period to be determined by the Manager and shall be adjusted by the amount by which the total Base Fee for that relevant period’s management accounts exceeds the total payments that have been made for that relevant period. Should the

APPENDIX D – PROPOSED BASE FEE SUPPLEMENT (EH-REIT)

total payments that have been made for the relevant period exceed the total amount of Base Fee that should have been paid based on the relevant period's management accounts, the Manager shall refund the excess to the Trust (or as the case may be the relevant Special Purpose Vehicles) as soon as reasonably practicable. For the avoidance of doubt, any refund due from and payable by the Manager shall be made in the form of cash regardless of whether or not the Base Fee was originally received by the Manager in the form of Units or cash."

- that Clause 15.1.4(v) be amended to reflect the additions as indicated by the underlined text and the deletion as indicated by the strikethrough text:

"When the Base Fee and/or the Performance Fee is paid in the form of Units or Stapled Securities, if the Trust or (as the case may be) the Stapled Group is Listed, the Manager or to any person which the Manager may designate or nominate (including but not limited to the Manager's subsidiaries) shall be entitled to receive such number of Units or Stapled Securities as may be purchased with the Base Fee and/or the Performance Fee (as the case may be) attributable to the relevant period at an Issue Price equal to the Market Price. For this purpose, "**Market Price**" means the volume weighted average traded price for a Unit or a Stapled Security for all trades on the SGX-ST or (as the case may be) the relevant Recognised Stock Exchange in the ordinary course of trading on the SGX-ST or (as the case may be) the relevant Recognised Stock Exchange for the last ten Business Days immediately preceding the end of the relevant financial period in which such Base Fee and/or Performance Fee accrues, or if the Manager believes that the foregoing calculation does not provide a fair reflection of the Market Price of a Unit or a Stapled Security, means an amount as determined by the Manager (after consultation with a Stockbroker approved by the Trustee), and as approved by the Trustee, as being the fair Market Price. If the Units or (as the case may be) the Stapled Securities and/or the Trust or (as the case may be) the Stapled Group is ~~u~~Unlisted, the Manager shall be entitled to receive such number of Units or Stapled Securities as may be purchased with the Base Fee and/or the Performance Fee (as the case may be) attributable to the relevant period at an Issue Price equal to the Current Unit Value or (as the case may be) the Current Stapled Security Value."

NOTICE OF CONDITIONAL RESIGNATION



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.
(Company Registration Number: 201829789W)

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.
(Company Registration Number: 201829816K)

8 December 2020

To: The Stapled Securityholders of Eagle Hospitality Trust

Dear Sir/Madam

NOTICE OF CONDITIONAL RESIGNATION OF EAGLE HOSPITALITY BUSINESS TRUST MANAGEMENT PTE. LTD. AS TRUSTEE-MANAGER OF EAGLE HOSPITALITY BUSINESS TRUST

1. INTRODUCTION

1.1 We refer to:

- (a) the Notice of Extraordinary General Meeting of Eagle Hospitality Trust ("**EHT**") dated 8 December 2020 (the "**Notice**") accompanying the circular to the stapled securityholders of EHT (the "**Stapled Securityholders**") dated 8 December 2020 (the "**Circular**") convening an Extraordinary General Meeting of EHT to be held on 30 December 2020 (the "**EGM Date**"); and
- (b) Resolution No. 3 relating to the proposed appointment of SCCPRE Hospitality Business Trust Management Pte. Ltd. ("**SCCPRE HTM**") as Trustee-Manager of Eagle Hospitality Business Trust ("**EH-BT**").

1.2 Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of EH-BT) (the "**EH-BT Trustee-Manager**") hereby notify Stapled Securityholders of its intention to resign from its position as trustee-manager of EH-BT, subject to the condition as set out in this notice.

2. REASONS FOR RESIGNATION

2.1 DBS Trustee Limited, in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust ("**EH-REIT**") (the "**EH-REIT Trustee**"), had on 24 November 2020 requested the EH-BT Trustee-Manager to voluntarily resign as the trustee-manager of EH-BT and nominate SCCPRE HTM as the replacement trustee-manager of EH-BT, pursuant to, amongst others, the selection by the EH-REIT Trustee of SCCPRE Nineteen (S) Pte. Ltd. ("**SCCPRE**") as the preferred candidate under the EH-REIT Trustee's Request for Proposal process with the most

APPENDIX E – NOTICE OF CONDITIONAL RESIGNATION

credible proposal to be put forth to Stapled Securityholders, for the reasons as set out in the Circular.

2.2 Having carefully considered:

- (a) the EH-REIT Trustee's request; and that
- (b) the proposed appointment of SCCPRE HTM as the new EH-BT Trustee-Manager will be a matter for consideration and decision by Stapled Securityholders as set out in the Notice,

the Board of Directors of the EH-BT Trustee-Manager is of the view that in the event that Stapled Securityholders vote for and approve the appointment of SCCPRE HTM as the new trustee-manager of EH-BT, the resignation of the EH-BT Trustee-Manager as the current trustee-manager of EH-BT to allow for the appointment of SCCPRE HTM as approved by Stapled Securityholders will be in the interests of EHT and its Stapled Securityholders.

2.3 The EH-BT Trustee-Manager therefore intends to resign from its position as trustee-manager of EH-BT with effect from 30 December 2020, being the date of the EGM Date, in order to facilitate, if so approved by Stapled Securityholders, the appointment of SCCPRE as the new manager and trustee-manager of EH-REIT and EH-BT respectively.

3. **CONDITION FOR RESIGNATION**

In due regard of the best interests of Stapled Securityholders, the resignation of the EH-BT Trustee-Manager as trustee-manager of EH-BT shall be conditional on the resolutions relating to the implementation of SCCPRE as the new managers of EHT (being Resolution 1, Resolution 2, Resolution 3 and Resolution 4 as set out in the Circular) being approved by Stapled Securityholders.

In the event any of Resolution 1, Resolution 2, Resolution 3 or Resolution 4 is not passed and/or carried by Stapled Securityholders, the proposed resignation of the EH-BT Trustee-Manager as trustee-manager of EH-BT will not become effective.

4. **EH-BT TRUSTEE-MANAGER NOMINATION OF REPLACEMENT TRUSTEE-MANAGER**

4.1 The EH-BT Trustee-Manager hereby nominates SCCPRE Hospitality Business Trust Management Pte. Ltd. to be appointed by resolution as the replacement trustee-manager to act as the trustee-manager of EH-BT in place of the EH-BT Trustee-Manager.

4.2 SCCPRE Hospitality Business Trust Management Pte. Ltd. had on 8 December 2020 consented in writing to serve as the replacement trustee-manager of EH-BT.

5. **STAPLED SECURITYHOLDERS' NOMINATION OF REPLACEMENT TRUSTEE-MANAGER**

Notwithstanding the foregoing, Stapled Securityholders of EHT should note that they may nominate a company (not being SCCPRE Hospitality Business Trust Management Pte. Ltd.) which has consented in writing to serve as the replacement trustee-manager of EH-BT, and which satisfies the requirements of Section 6 of the Business Trusts Act (Chapter 31A) of Singapore, for approval to be appointed, by resolution, as the replacement trustee-manager of EH-BT, if, and only if –

APPENDIX E – NOTICE OF CONDITIONAL RESIGNATION

- (a) Stapled Securityholders represent Stapled Securityholders holding at the date of nomination not less than 10% of the total voting rights of all Stapled Securityholders of EHT having at that date a right to vote; and
- (b) the nomination by these Stapled Securityholders is served on the resigning trustee-manager not more than 21 days after the date of this notice.

BY ORDER OF THE BOARD

Eagle Hospitality Business Trust Management Pte. Ltd.
(as trustee-manager of Eagle Hospitality Business Trust)
(Company Registration Number: 201929816K)

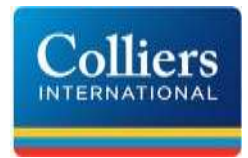
APPENDIX F – VALUATION SUMMARY



Colliers International Consultancy & Valuation
(Singapore) Pte Ltd.
Asia Square Tower 2
12 Marina View #19-02
Singapore 018961
RCB No: 198105965E

MAIN +65 6223 2323

EMAIL govinda.singh@colliers.com



8 December 2020

DBS Trustee Limited

(in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust) (the “REIT Trustee” or “DTL”)
12 Marina Boulevard, Level 44s
DBS Asia Central @ Marina Bay Financial Centre Tower 3
Singapore 018982
Attn: Head, Corporate Trust

Eagle Hospitality REIT Management Pte. Ltd. (“EHT”)

8 Marina Boulevard, #11-15/17
Marina Bay Financial Centre Tower 1
Singapore 018982

Dear Sirs,

**RE: Eagle Hospitality Trust - Valuation of a portfolio of 18 hotels located across the USA
 (“the Portfolio Properties”)**

We refer to your instructions of 2 September 2020 to undertake a valuation in respect of the 18 properties set out below for the purposes of public disclosure in circular to Unitholders of EH REIT and financial reporting for Eagle Hospitality Trust, a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

Our instructions are to provide our opinion of the market value of the Portfolio Properties. The basis of the valuation is stated in the Valuation Summary appended and the date of the valuation is at 31 August 2020. We understand that the Valuation Summary may be included in the annual report and circulars.

The Portfolio Properties and their respective valuations are listed in the table below.

S/N	Abbrev.	Property	Tenure ¹	# Rooms	Value 'As Is'	Value Upon
					31 August 2020	Stabilisation ²
					(US\$)	(US\$)
1	SPH	Sheraton Pasadena	Freehold	311	64,400,000	73,650,000
2	HIA	Holiday Inn Hotel & Suites Anaheim	Freehold	255	43,800,000	49,600,000
3	ESAN	Embassy Suites by Hilton Anaheim North	Freehold	223	35,550,000	40,650,000
4	HISM	Holiday Inn Hotel & Suites San Mateo	Freehold	219	40,100,000	50,800,000
5	FPSJ	Four Points by Sheraton San Jose Airport	Freehold	195	43,900,000	51,100,000
6	WSAC	The Westin Sacramento	Freehold	101	26,600,000	30,900,000
7	ESPD	Embassy Suites by Hilton Palm Desert	Freehold	198	17,400,000	20,500,000
8	QUEEN	The Queen Mary	Leasehold	346	88,950,000	108,100,000
9	RDH	Renaissance Denver Stapleton	Freehold	400	61,100,000	73,100,000
10	HIDH	Holiday Inn Denver East - Stapleton	Freehold	298	30,700,000	36,900,000
11	SDTC	Sheraton Denver Tech Center	Freehold	263	23,900,000	37,100,000
12	OHIR	Holiday Inn Resort Orlando Suites - Waterpark	Freehold	777	91,200,000	106,700,000
13	CPDG	Crowne Plaza Dallas Near Galleria-Addison	Freehold	428	18,600,000	39,200,000
14	HHG	Hilton Houston Galleria Area	Freehold	292	24,800,000	33,000,000
15	DWNJ	Delta Hotels Woodbridge	Freehold	311	37,600,000	51,000,000
16	CPD	Crowne Plaza Danbury	Freehold	242	5,200,000	9,300,000
17	DTSLC	Doubletree by Hilton Salt Lake City Airport	Freehold	288	39,500,000	48,900,000
18	HAN	Hilton Atlanta Northeast	Freehold	271	33,600,000	39,100,000
		TOTAL		5,418	726,900,000	899,600,000

¹ Freehold is the equivalent of 'Fee Simple' as defined under IVS and USPAP respectively.

² In future values depending on year of stabilization i.e. 2022, 2023 or 2024 depending on individual property.

Source: Colliers

Our valuation is on the basis of Market Value which is intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

This definition of value is consistent with the international definition of Market Value as advocated by the Royal Institute of Chartered Surveyors (RICS), International Valuation Standards Council (IVSC), and where applicable, local (USPAP) valuation standards.

We have prepared a market valuation on the basis of use as appropriate and defined by the Client. The principle of a market valuation is that certain types of property are designed for a particular purpose. Such properties change hands in the open market at prices based directly on trading potential for existing use. Our valuation is based on a fully operational business including plant and machinery, and fixtures, fittings and furniture but excluding stock, trade debtors and creditors. We have assumed that the Property holds all the necessary permits, statutory consents, trade licences and health and safety certificates necessary for trade, if applicable.

The valuation methodology, assumptions and limiting conditions are set out in the following notes:

Valuation methodologies

There are three methods of valuation which are in common usage: the cost approach, comparable market transactions, and income capitalisation.

In undertaking this valuation, we have used the Income Approach with the method being discounted cash flow (DCF), as this is the method normally employed by investors in assessing these types of property. In addition, this has been cross-checked against the Income Approach (direct capitalisation) Market (Comparable) Approach and Cost Approach.

Cost Approach

This method values a property on the basis of the expenditure required to provide an equivalent property, having due regard to the price of land and the cost of construction.

In relation to valuations, this technique may be valid in certain instances when a comparison is needed against other valuation methods. This method is commonly used to assess insurance/reinstatement value.

Market Approach

This method is the simplest and most direct approach and is based upon comparing the property to be valued against the prices obtained for similar properties in recent transactions in the open market. The major problem, however, is to identify similar transactions in the same operating environment, which are recent enough to be relevant and for which sufficient relevant data relating to the sale and its conditions are available.

Colliers tracks the data relating to sales which enables us to sketch maximum and minimum parameters of value against certain criteria such as size of land/building, geographic location and type of product. This information, if sufficiently detailed can also provide an important insight into the range of returns that investors have viewed as acceptable when arriving at their decision to purchase.

Income Approach

This approach is essentially a capitalisation of the value of the future stream of earnings from the operations. The method adopted to achieve this capitalisation can vary between a simple direct capitalisation of the “maintainable” level of net profit to the more dynamic discounted cash flow approach.

The discounted cash flow approach to valuation takes into consideration the dynamic performance and earnings potential of an asset over an extended time frame. Furthermore, the process automatically gives a greater weighting and ascribed value to current anticipated earnings and those for the immediate future and attributes a lower value to earnings anticipated in the medium term and beyond.

The income approach is the method normally employed by Colliers and is believed to be the one best able to reflect the process used by an investor when assessing a price to bid for a particular property. The DCF method entails the capitalisation of an asset's future earnings stream to a present day value, using a discount rate considered to be consistent with that which would be adopted by potential investors. It is a valuation of the business which takes place within the Property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Properties, nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the Properties are free from any major or material encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

This letter and the valuation summary do not contain all the necessary data and information included in arriving at our valuation opinion.

Future trading performance and earnings related assumptions

In our valuation of an asset we have assumed that all permits and licenses, if applicable, will not restrict potential earnings.

Our estimates of the net earnings that could be sustained over the economic life of the assets will take account of lower levels of performance which might be achieved in periods of economic downturn (or political instability) as well as improvements in business performance which might be achieved, for example, by extending the operational season and making additional sales to different market segments.

The valuation and market information are not guarantees or predictions and must be read in consideration of the following:

- The valuations are based on the anticipated earnings before interest, tax, depreciation and amortization (“**EBITDA**”) that could potentially be generated from the fee simple or long-leasehold property. In arriving at our estimates we have taken into consideration the current substantial impact the COVID-19 pandemic is having on the travel and hospitality sector across the USA and globally; and its anticipated recovery period, which as at the valuation date remains uncertain.

Real estate as an investment type historically takes a longer period of time to be impacted in comparison to alternative investment types, such as stocks and bonds. Colliers' valuation professionals have consulted with market participants in preparation of this assignment to understand and best address how the subject properties may be impacted. As such, given the unknown future impact that COVID-19 might have on the hotel real estate market, we recommend that you keep the valuation of the properties under frequent review.

- We note that 15 of the 18 hotels were closed due to the COVID-19 pandemic as at the valuation date. From our discussions with management and our expectation of recovery in USA hotel performance, we have assumed that the closed hotels will re-open latest by Q1 2021.
- The estimated value is based upon the factual information provided. Property data/information provided is assumed to be correct. Whilst Colliers International has endeavored to ensure the accuracy of the information, it has not independently verified all information provided.

- The valuations and reports were undertaken based upon information available as at the date of inspection. Colliers International accepts no responsibility for subsequent changes in information as to proposed scheme, areas, income, expenses or market conditions.
- The methodologies adopted in valuing the Properties are based upon estimates of future results and are not predictions. Each methodology is based on a set of assumptions as to income and expenses of the Properties and future economic conditions in the local market.

The reported analysis, opinion and conclusion are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analysis, opinion and conclusion.

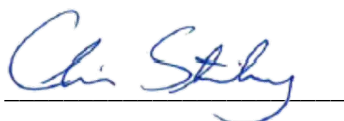
We also confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the Properties and the valuers undertaking the valuation are suitably qualified and authorized to practice as valuers.

Our Valuation 'Certificates' (referred to as Valuation Summaries under IVS) are appended.

Yours faithfully,

For and on Behalf of

Colliers International Valuation & Advisory Services, LLC

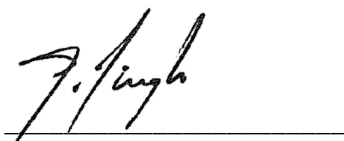
A handwritten signature in blue ink, appearing to read "Chris Stickney", written over a horizontal line.

Chris Stickney MAI

Associate Managing Director

Valuation and Advisory Services | USA

Colliers International Consultancy and Valuation (Singapore) Pte Ltd.

A handwritten signature in black ink, appearing to read "Govinda Singh", written over a horizontal line.

Govinda Singh FCCA FCMA MRICS

Executive Director

Valuation and Advisory Services | Asia



Notes: Comparison between 2018 and 2020 Property Valuation Reports

Property-Level Valuation Comparison

Prior to the IPO, EHT engaged Colliers International Consultancy & Valuation (“Colliers”) to prepare opinions of value for the 18 properties held by EHT (“Portfolio Properties”) as of 31 December 2018 (“2018”). Recently, EHT re-engaged Colliers to provide a market valuation of the Portfolio Properties as at 31 August 2020 (“2020”).

The value of the Portfolio Properties were/are:

- 2018: US\$1,211.3m (As Is).
- 2020: US\$726.9m (As Is) and US\$899.6m (Upon Stabilization in Future Values).

Abbrev.	Property	# Rooms	As is (Updated)	Upon Stabilisation (Updated)	As is	Difference between	Difference between	Year of Stabilisation
			August 31, 2020 (US\$)	August 31, 2020 (US\$)	December 31, 2018 (US\$)	As is Aug 31 2020 and As is Dec 31 2018 (%)	Upon Stabilisation and As is Dec 31 2018 (%)	
SPH	Sheraton Pasadena	311	64,400,000	73,650,000	98,900,000	(34.9%)	(25.5%)	August 31, 2022
HIA	Holiday Inn Hotel & Suites Anaheim	255	43,800,000	49,600,000	71,100,000	(38.4%)	(30.2%)	August 31, 2022
ESAN	Embassy Suites by Hilton Anaheim North	223	35,550,000	40,650,000	48,200,000	(26.2%)	(15.7%)	August 31, 2022
HISM	Holiday Inn Hotel & Suites San Mateo	219	40,100,000	50,800,000	66,700,000	(39.9%)	(23.8%)	August 31, 2023
FPSJ	Four Points by Sheraton San Jose Airport	195	43,900,000	51,100,000	63,300,000	(30.6%)	(19.3%)	August 31, 2023
WSAC	The Westin Sacramento	101	26,600,000	30,900,000	37,600,000	(29.3%)	(17.8%)	August 31, 2023
ESPD	Embassy Suites by Hilton Palm Desert	198	17,400,000	20,500,000	30,400,000	(42.8%)	(32.6%)	August 31, 2022
QUEEN	The Queen Mary	346	88,950,000	108,100,000	179,700,000	(50.5%)	(39.8%)	August 30, 2022
RDH	Renaissance Denver Stapleton	400	61,100,000	73,100,000	81,800,000	(25.3%)	(10.6%)	August 31, 2023
HIDH	Holiday Inn Denver East - Stapleton	298	30,700,000	36,900,000	44,300,000	(30.7%)	(16.7%)	August 31, 2023
SDTC	Sheraton Denver Tech Center	263	23,900,000	37,100,000	31,300,000	(23.6%)	18.5%	August 31, 2023
OHIR	Holiday Inn Resort Orlando Suites - Waterpark	777	91,200,000	106,700,000	170,700,000	(46.6%)	(37.5%)	August 31, 2022
CPD	Crowne Plaza Danbury	242	5,200,000	9,300,000	10,200,000	(49.0%)	(8.8%)	August 31, 2024
DTSLC	Doubletree by Hilton Salt Lake City Airport	288	39,500,000	48,900,000	53,800,000	(26.6%)	(9.1%)	August 31, 2023
HAN	Hilton Atlanta Northeast	271	33,600,000	39,100,000	49,000,000	(31.4%)	(20.2%)	August 31, 2022
CPDG	Crowne Plaza Dallas Near Galleria-Addison	428	18,600,000	39,200,000	56,700,000	(67.2%)	(30.9%)	August 31, 2023
HHG	Hilton Houston Galleria Area	292	24,800,000	33,000,000	47,600,000	(47.9%)	(30.7%)	August 31, 2023
DWNJ	Delta Woodbridge	311	37,600,000	51,000,000	70,000,000	(46.3%)	(27.1%)	August 31, 2023
Total		5,418	726,900,000	899,600,000	1,211,300,000	(38.1%)	(23.8%)	
BAML 15-Pack Total		4,387	645,900,000	776,400,000	1,037,000,000	(36.4%)	(22.9%)	
Properties Under Other Loans Total		1,031	81,000,000	123,200,000	174,300,000	(51.6%)	(29.3%)	

Due to the impact of COVID-19, Colliers has included an Upon Stabilization value for the Portfolio Properties, in which the properties are valued as if they were operating at a fully stabilized level as of the date of Colliers’ inspection. It should be noted that stabilization does not imply a return to pre-COVID levels but that the property is achieving its fair market share and has reached its mature level of operation in a recovered market. Colliers notes that it is likely that markets will change post-COVID as demand patterns, business and consumer behavior evolve and adapt to a post-COVID world, the outcome of which is still uncertain at this time. As such, the properties will inherently have to adapt to this. Further, Colliers notes that the 2019 hotel performance represented a record nine years of continuous Revenue Per Available Room (“RevPAR”) growth for US hotels, and it is therefore unlikely the market and the properties can once again attain this level of performance within a short period.

Stabilization for the Properties is anticipated in and around 2023/24, and the values are stated as future values at US\$899.6m (US\$837.0m in today’s values).

On a weighted average basis, the value declined by 38.1% (As Is) and 23.8% (Upon Stabilization) across all properties from 2018 to 2020, with the exception of Sheraton Denver Tech Center which registered a slight uptick in value in the Upon Stabilization case.

Primary Differences between 2018 and 2020 Valuations

At the outset, Colliers notes that the operating environment under which both the 2018 and 2020 valuations were undertaken are fundamentally different. This is primarily due to the negative impact of COVID-19 on hotel operating metrics which remains unprecedented and beyond what was witnessed during the global financial crisis, by way of example.

COVID-19 is a serious illness and pandemic that has affected the world and more specifically the U.S. The effects thus far include volatility in the stock and capital markets. The impact to demand and ultimately values for real estate is also developing. The range of views from market participants suggests the risk premium is widening and we should analyze implications to both near-term and longer-term valuation assumptions. Real estate as an investment type historically takes a longer period of time to be impacted in comparison to alternative investment types, such as stocks and bonds. Colliers professionals have consulted with market



participants in preparation of this assignment to understand and best address how the subject property may be impacted.

More specifically, the impact of COVID-19 has impacted the overall hospitality industry within the U.S. significantly. Many major questions remain about the impact of COVID-19 on the economy at large and the subject properties in particular. The most important question is how long the pandemic will last, and once it is over, how long it will take for things to return to normal. This is borne out by the closure of 15 of the 18 properties as at the valuation date, and continued travel restrictions in place across the U.S. as at the time of this report.

As such, Colliers asserts that the impact of COVID-19 on property operating metrics principally accounts for the largest difference in the valuation opinions between 2018 and 2020. This is evidenced as follows.

▪ **Decline in Market Fundamentals**

Market fundamentals have significantly changed between 31 December 2018 and 31 August 2020.

In 2018, Colliers forecasted macroeconomic and industry fundamentals in the US to remain strong, with strength in consumer spending and potential for an uptick in corporate transient demand anticipated to drive ADR growth, which would have contributed to an unprecedented track record of continued RevPAR growth for nine years.

YTD 2020 vs. YTD 2019 Operating Performance

Total U.S.				Total U.S. % Annual Change			
	Occ	ADR	RevPAR		Occ	ADR	RevPAR
February	62.2%	\$ 130.78	\$ 81.33	February	-	-	-
March	39.4%	\$ 110.66	\$ 43.54	March	(36.7%)	(15.4%)	(46.5%)
April	24.5%	\$ 73.23	\$ 17.93	April	(37.8%)	(33.8%)	(58.8%)
May	33.1%	\$ 79.57	\$ 26.35	May	35.2%	8.7%	47.0%
June	42.2%	\$ 92.15	\$ 38.88	June	27.4%	15.8%	47.6%
July	47.0%	\$ 101.76	\$ 47.84	July	11.4%	10.4%	23.1%
August	48.6%	\$ 102.46	\$ 49.83	August	3.5%	0.7%	4.2%
YTD Aug 2019	67.5%	\$ 131.93	\$ 89.10	YTD Aug 2019			
YTD Aug 2020	44.4%	\$ 107.17	\$ 47.54	YTD Aug 2020	(34.3%)	(18.8%)	(46.6%)

Source: STR

In 2020, primarily due to COVID-19, Colliers considers the near-term US lodging outlook to remain challenging as the pandemic continues to economically impact the US and lodging sector. According to STR, an industry research company, RevPAR for hotels across the USA was US\$85.96 at the end of 2018, a 2.9% increase on the previous year. In contrast, RevPAR for 2020 is forecasted to finish the year down 57.5% on the 2019 performance at US\$49.43. A recovery to pre-COVID levels is expected to take at least three to four years with hotels mostly reliant on fly travel and meetings, incentives, conferences and events (MICE) expected to be some of the last to recover. As such, fundamentally, this trend negatively impacts near term cashflows and overall valuations, and as of the time of preparing this report, the outlook is still evolving.

▪ **Change in Anticipated Trading Performance Post Recovery**

Below please find key operating metrics that drive the differences between 2018 and 2020 opinions of value.

- Occupancy: Drops c.11% to 66.6% compared to 77.1%. However, upon stabilization, the occupancy rate slightly dips to 75.3%.
- ADR: Drops c.6% to US\$139.2 compared to US\$148.0. However, upon stabilization, ADR increases slightly to US\$149.
- RevPAR: Drops c.19% to US\$92.8 compared to US\$114.1. Upon stabilization, RevPAR slightly dips to US\$112.3.
- Total Cost Per Revenue: Increases c.7.1% to 82.9% compared to 75.8%. Upon stabilization, total cost per revenue increases to 80.1%. Generally, fixed charges, increased provision for renewals and undistributed operating expenses account for a slightly larger % of revenue between 2018 and 2020.

No.	Abbrev.	Property	2020 As Is				2020 Stabilisation				2018			
			As Is Occupancy 4 Years %	As Is ADR 4 Years (US\$)	As Is RevPAR 4 Years (US\$)	As Is Total Cost 4 Years %	Stab Occupancy 4 Years %	Stab ADR 4 Years (US\$)	Stab RevPAR 4 Years (US\$)	Stab Total Cost 4 Years %	2018 Occupancy 4 Years %	2018 ADR 4 Years (US\$)	2018 RevPAR 4 Years (US\$)	2018 Total Cost 4 Years %
1	SPH	Sheraton Pasadena	73.0%	\$ 181.3	\$ 132.3	78.8%	80.0%	\$ 193.8	\$ 155.0	76.9%	82.9%	\$ 204.8	\$ 169.8	70.4%
2	HIA	Holiday Inn Hotel & Suites Anaheim	78.8%	\$ 139.2	\$ 109.6	77.4%	84.0%	\$ 149.8	\$ 125.8	75.9%	87.0%	\$ 143.0	\$ 124.5	65.5%
3	ESAN	Embassy Suites by Hilton Anaheim North	77.0%	\$ 153.4	\$ 118.1	81.5%	83.0%	\$ 164.9	\$ 136.9	79.7%	86.0%	\$ 167.3	\$ 143.9	73.9%
4	HSM	Holiday Inn Hotel & Suites San Mateo	77.2%	\$ 158.7	\$ 122.6	78.5%	83.0%	\$ 173.0	\$ 143.6	75.2%	83.6%	\$ 186.6	\$ 156.0	61.9%
5	FPSJ	Four Points by Sheraton San Jose Airport	79.0%	\$ 192.0	\$ 151.7	79.6%	85.0%	\$ 206.1	\$ 175.2	78.0%	85.1%	\$ 196.6	\$ 167.3	67.9%
6	WSAC	The Westin Sacramento	80.3%	\$ 206.5	\$ 165.7	76.5%	87.0%	\$ 221.3	\$ 192.5	75.0%	86.4%	\$ 221.9	\$ 191.7	70.1%
7	ESPD	Embassy Suites by Hilton Palm Desert	66.5%	\$ 137.8	\$ 91.6	86.5%	71.0%	\$ 151.0	\$ 107.2	84.4%	73.3%	\$ 160.2	\$ 117.4	71.7%
8	QUEEN	The Queen Mary	66.0%	\$ 139.5	\$ 105.3	91.5%	74.0%	\$ 171.0	\$ 126.6	88.9%	75.1%	\$ 166.4	\$ 125.0	83.7%
9	RDH	Renaissance Denver Stapleton	69.8%	\$ 154.5	\$ 107.7	78.4%	77.0%	\$ 169.0	\$ 130.1	75.8%	78.1%	\$ 149.5	\$ 116.7	76.9%
10	HIDH	Holiday Inn Denver East - Stapleton	71.7%	\$ 119.3	\$ 85.6	77.3%	79.0%	\$ 130.6	\$ 103.2	74.3%	78.2%	\$ 134.0	\$ 104.8	73.0%
11	SDTC	Sheraton Denver Tech Center	60.8%	\$ 126.0	\$ 76.5	76.3%	70.0%	\$ 139.0	\$ 97.3	72.8%	71.3%	\$ 132.3	\$ 94.3	83.8%
12	OHIR	Holiday Inn Resort Orlando Suites - Waterpark	64.5%	\$ 117.7	\$ 75.9	83.1%	72.0%	\$ 123.3	\$ 88.8	81.1%	74.4%	\$ 127.2	\$ 94.6	75.5%
13	CPD	Crowne Plaza Danbury	41.5%	\$ 94.5	\$ 39.2	98.9%	62.0%	\$ 102.8	\$ 63.7	88.3%	65.1%	\$ 111.3	\$ 72.5	91.6%
14	DISLC	Doubletree by Hilton Salt Lake City Airport	70.8%	\$ 122.8	\$ 86.9	76.4%	78.0%	\$ 135.4	\$ 105.6	73.2%	83.9%	\$ 127.0	\$ 106.6	72.4%
15	HAN	Hilton Atlanta Northeast	70.8%	\$ 128.0	\$ 90.6	79.8%	78.0%	\$ 133.9	\$ 104.4	77.8%	76.9%	\$ 129.2	\$ 99.4	74.9%
16	CPDG	Crowne Plaza Dallas Near Galleria-Addison	53.0%	\$ 112.2	\$ 59.5	85.5%	66.0%	\$ 121.1	\$ 79.9	80.7%	62.0%	\$ 125.3	\$ 77.7	73.2%
17	HHG	Hilton Houston Galleria Area	62.0%	\$ 110.7	\$ 68.6	79.0%	77.0%	\$ 120.5	\$ 85.6	75.4%	77.3%	\$ 121.5	\$ 93.9	71.9%
18	DWNJ	Delta Woodbridge	60.5%	\$ 144.2	\$ 87.2	81.6%	77.0%	\$ 154.1	\$ 118.6	77.5%	80.8%	\$ 145.1	\$ 117.3	76.5%
Total	Total		66.6%	\$ 139.2	\$ 92.8	82.9%	75.3%	\$ 149.0	\$ 112.3	80.1%	77.1%	\$ 148.0	\$ 114.1	75.8%
BAML 15-Pack/BAML 15-Pack Total			68.7%	\$ 142.7	\$ 98.0	82.9%	76.4%	\$ 152.8	\$ 116.8	80.4%	78.2%	\$ 151.7	\$ 118.7	76.1%
Properties Un Properties Under Other Loans Total			57.8%	\$ 121.8	\$ 70.4	82.4%	70.7%	\$ 131.8	\$ 93.2	78.3%	72.0%	\$ 130.9	\$ 94.3	74.2%

▪ **Depressed Hotel Values**

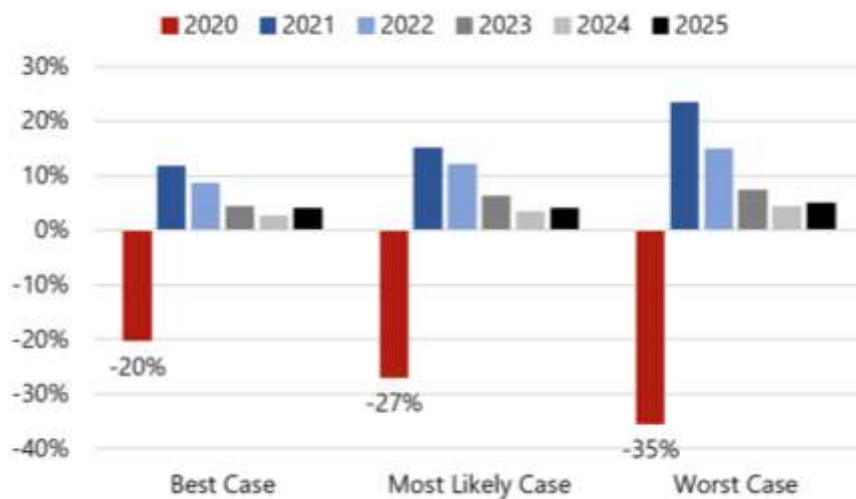
Recent reports by CBRE and HVS indicate that the anticipated average decline in values across the US is expected to range between 15.1% and 28.1% for select and full service hotels when compared to 2019. Upon stabilization, this gap is expected to narrow to between 10.1% and 22.3%. Properties particularly exposed to fly-to and conventions are expected to bear the brunt of the decline.

COVID-19 VALUE IMPAIRMENT DATA



HVS anticipates a 20% (best case) to 35% (worst case) drop in values. Values are then anticipated to increase over the following years with potentially stabilization around 2023/24. HVS describes the scenarios as:

- **Best Case** – 2020 EBITDA is greatly diminished but still positive. A gradual recovery in hotel performance is projected for 2021, with annual gains thereafter until 2024 when EBITDA reaches base-case levels in current dollars.
- **Most Likely Case** – Assumes more significant impact in the first year (breakeven EBITDA) and a return to positive cash flow in 2021. The degree of the impact and decline is assumed to diminish over time as the market recovers, with EBITDA reaching base-case levels in current dollars in 2024.
- **Worst Case** – Assumes extreme negative EBITDA in 2020, followed by minimal EBITDA in 2021, with diminishing negative impact as the market recovers. EBITDA is modeled to equal base-case levels by 2025.



Source: HVS

Colliers notes that since HVS’s article in April 2020, the outlook has worsened by 31 August 2020, with many hotels remaining closed to date and a long recovery forecasted. In its valuation reports, Colliers notes that where there have been transactions recorded, prices for hotels that were agreed pre-COVID and closed post-COVID were 14% to 43% lower.

As the risk of distress continues to remain high, Colliers considers investors, despite lower risk-free rates, may demand additional risk premiums to reflect the near-term soft outlook, increased costs profile (due to higher standards required for cleaning, etc.) and recovery timeline for the industry. As a result, whilst the valuations have been mainly impacted by a decline in earnings, in addition the terminal capitalization rate (7.50% - 14.0%) and discount rate (8.5% - 11.25%) used for 2020 valuation were higher and in a wider range than the terminal capitalization rate (6.00% - 7.00%) and discount rate (8.00% - 9.00%) applied in 2018. This is especially prominent for the Queen Mary where there is a degree of higher risks given the property’s high exposure to mass events and groups business, which is expected to take longer to recover. Other markets that are dependent on mass travel and events such as Denver and Orlando, have similarly witnessed an increase in risk premium being demanded by investors.

No.	Abbrev.	Property	2020 As Is		2020 Stabilisation		2018	
			Cap Rate	Discount Rate	Cap Rate	Discount Rate	Cap Rate	Discount Rate
			%	%	%	%	%	%
1	SPH	Sheraton Pasadena	7.5%	8.5%	7.5%	8.0%	6.2%	8.2%
2	HIA	Holiday Inn Hotel & Suites Anaheim	7.5%	8.5%	7.5%	8.0%	6.3%	8.3%
3	ESAN	Embassy Suites by Hilton Anaheim North	7.5%	8.5%	7.5%	8.0%	6.3%	8.3%
4	HISM	Holiday Inn Hotel & Suites San Mateo	7.6%	8.0%	7.6%	7.5%	6.5%	8.5%
5	FPSJ	Four Points by Sheraton San Jose Airport	7.7%	8.0%	7.7%	7.5%	6.5%	8.5%
6	WSAC	The Westin Sacramento	8.1%	8.5%	8.1%	8.0%	6.0%	8.0%
7	ESPD	Embassy Suites by Hilton Palm Desert	7.5%	8.5%	7.5%	8.0%	6.3%	8.3%
8	QUEEN	The Queen Mary	14.0%	10.5%	15.0%	10.0%	6.8%	8.8%
9	RDH	Renaissance Denver Stapleton	9.3%	11.3%	9.3%	10.5%	6.5%	8.5%
10	HIDH	Holiday Inn Denver East - Stapleton	9.3%	11.3%	9.3%	10.5%	7.0%	9.0%
11	SDTC	Sheraton Denver Tech Center	8.5%	10.5%	8.5%	9.8%	6.5%	8.5%
12	OHIR	Holiday Inn Resort Orlando Suites - Waterpark	8.0%	10.0%	8.0%	9.3%	6.2%	8.2%
13	CPD	Crowne Plaza Danbury	9.3%	11.3%	9.3%	10.5%	6.2%	8.2%
14	DITSLC	Doubletree by Hilton Salt Lake City Airport	8.3%	10.3%	8.3%	9.5%	6.8%	8.8%
15	HAN	Hilton Atlanta Northeast	8.0%	10.0%	8.0%	9.3%	6.8%	8.8%
16	CPDG	Crowne Plaza Dallas Near Galleria-Addison	9.3%	11.3%	9.3%	10.5%	6.8%	8.8%
17	HHG	Hilton Houston Galleria Area	8.5%	10.5%	8.5%	9.8%	6.5%	8.5%
18	DWNJ	Delta Woodbridge	8.5%	10.5%	8.5%	9.8%	6.2%	8.2%
Total	Total		8.6%	9.8%	8.6%	9.1%	6.4%	8.4%
BAML 15-Pac BAML 15-Pack Total			8.5%	9.6%	8.6%	9.0%	6.4%	8.4%
Properties Un Properties Under Other Loans Total			8.8%	10.8%	8.8%	10.0%	6.5%	8.5%

As such, coupled with lower earnings projections and higher discount rates being applied, this has mainly led to a decline in the values between the 2018 and 2020 valuations.



As previously noted, on a weighted average basis, Colliers valuations in 2020 are down 38.1% (As Is) and 23.8% (Upon Stabilization) on the 2018 values. This remains well within the expected range cited by other industry experts as set out above.

Colliers also notes that despite the market being expected to stabilize between 2022 and 2024, depending on location, they expects investment yields and therefore values to take longer to recover. This is due to the lag between investors gaining confidence that earnings have recovered and are sustainable and being willing to lower the risk premium required for that asset class.

It is Colliers' opinion that investment in the sector is, however, likely to remain high given the desirability of the asset class and medium to longer term positive growth fundamentals. As such, Colliers expects value to eventually recover to at or near their pre-COVID levels over the medium term underpinned by an improvement in earnings over that period.

Other contributing factors

Colliers also notes the following would have also contributed to the differences between the 2018 and 2020 valuations.

- **Change in Master Lease Arrangements**

The 2018 valuation for IPO purposes was prepared on the basis of the master lease arrangements. Each property assumes rental income forecasted by Colliers, with property taxes, property insurance and land rent borne by the Master Lessor, with the exception of Queen Mary where all costs were borne by the Master Lessee. Rent was calculated based on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue plus a percentage of operating income. Colliers' property level projections were sufficient to cover the (1) forecasted rent pursuant to the Master Lease Arrangements and (2) the costs that were otherwise the responsibility of the Lessor. The valuation methodology used was the Income Capitalization Approach (DCF).

The 2020 valuation was prepared without any assumptions of master lease arrangements and based on the anticipated income generated at the property level on a flow through basis to EHT. In addition, given current uncertainty in valuations, anticipation in depressed values, and the relative absence of transactions, Colliers has determined it necessary to consider more than one valuation methodologies which included the Income Capitalization Approach (DCF), Sales Comparison Approach and Cost Approach. Whilst the principal method of valuation adopted was the Income Approach (using DCF), the final value conclusion was reached after reconciling between the various approaches.

- **Increase in Capital Expenditures**

Colliers, having discussed with property management and franchisors on both occasions, have taken into account anticipated capex commitments over and above the normal reserves for renewals. Colliers notes that it is not simple to easily compare the capex requirements given the passage of time and different requirements from property to property, and particularly given new brand requirements from franchisors that has evolved over the last two years. Franchisees are obligated to meet brand requirements and in recent years, to stay competitive, franchisors have sought to refresh their brands to remain relevant. In regard to the Portfolio Properties this is particularly relevant over the last two years to the Crowne Plaza and Holiday Inn brands, which requires additional investment from franchisees. This was not known in 2018 and without this investment, franchisees will lose their rights to use the brand.

In 2018, Colliers noted that five properties scheduled for refurbishment between 2019 and 2022, for a total of US\$15.0m over three years, including:

- Holiday Inn San Mateo (US\$6.0m – 2021)
- Sheraton Denver Tech Center (US\$2.5m – 2021)
- Crowne Plaza Dallas Near Galleria-Addison (US\$4.5m – 2022)
- Hilton Houston Galleria Area (US\$1.5m – 2019)
- Doubletree by Hilton Salt Lake City Airport (US\$0.5m – 2019)

In 2020, Colliers forecasted that 15 out of 18 properties required capex of US\$38.0m over three years. It is Colliers' opinion that capex is required, over and above the normal replacement reserve, to help the properties generate more attractive returns in the market as the pandemic wanes over the next 12-24 months.



No.	Abbrev.	Property	Total Capex 2020	Total Capex 2018
			Projection (US\$)	Projection (US\$)
1	SPH	Sheraton Pasadena	263,757	-
2	HIA	Holiday Inn Hotel & Suites Anaheim	334,034	-
3	ESAN	Embassy Suites by Hilton Anaheim North	375,670	-
4	HISM	Holiday Inn Hotel & Suites San Mateo	4,161,000	6,000,000
5	FPSJ	Four Points by Sheraton San Jose Airport	810,753	-
6	WSAC	The Westin Sacramento	450,000	-
7	ESPD	Embassy Suites by Hilton Palm Desert	573,145	-
8	QUEEN	The Queen Mary	1,606,219	-
9	RDH	Renaissance Denver Stapleton	-	-
10	HIDH	Holiday Inn Denver East - Stapleton	-	-
11	SDTC	Sheraton Denver Tech Center	6,604,054	2,500,000
12	OHIR	Holiday Inn Resort Orlando Suites - Waterpark	2,175,000	-
13	CPD	Crowne Plaza Danbury	743,367	-
14	DTSLC	Doubletree by Hilton Salt Lake City Airport	990,000	500,000
15	HAN	Hilton Atlanta Northeast	500,000	-
16	CPDG	Crowne Plaza Dallas Near Galleria-Addison	12,003,560	4,500,000
17	HHG	Hilton Houston Galleria Area	2,296,000	1,500,000
18	DWNJ	Delta Woodbridge	4,147,938	-
Total			38,034,497	15,000,000
BAML 15-Pack Total			19,586,999	9,000,000
Properties Under Other Loans Total			18,447,498	6,000,000

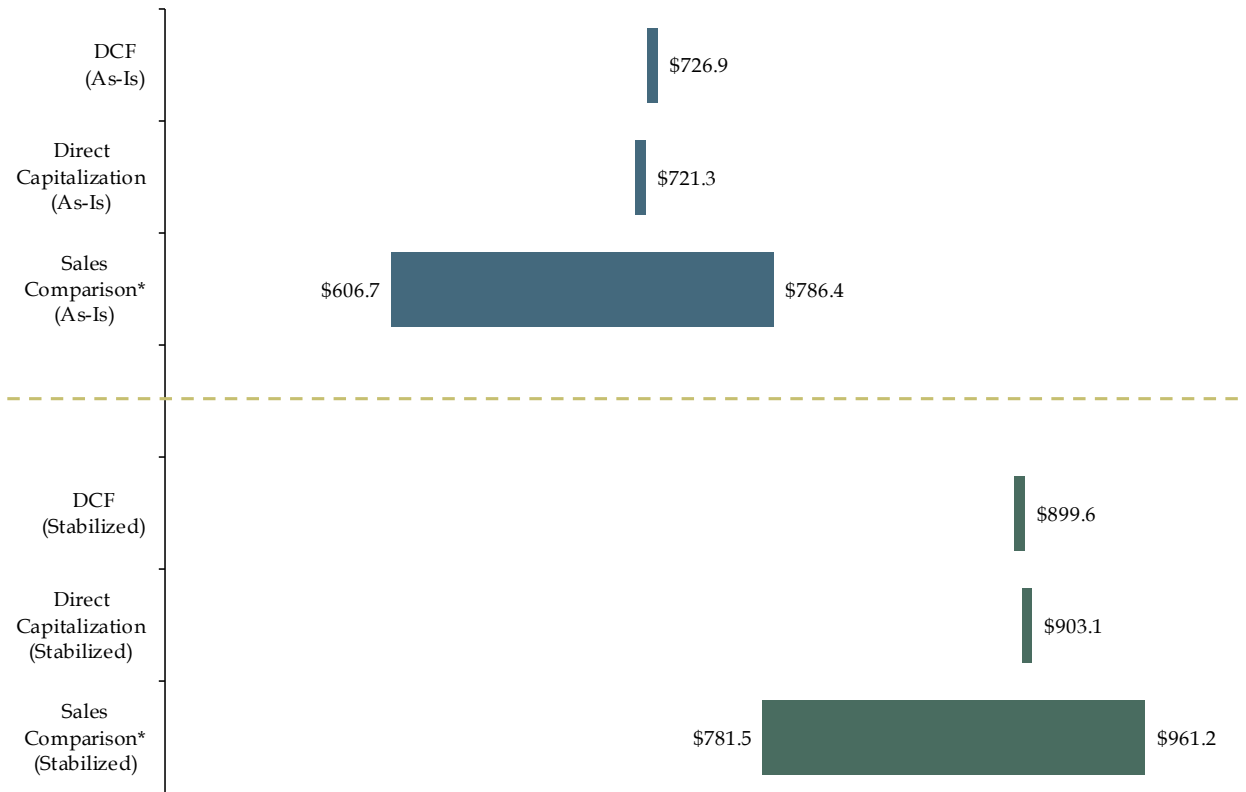
Significant capex that have been included in the 2020 valuation include:

- HISM – Completion of capex to allow conversion to Holiday Inn brand standard as required by franchisor, IHG;
- SDTC – Completion of renovation of public areas, including lobby;
- OHIR – Additional capex to repair significant water damage to 100 rooms, door locks and installation of safety features at the waterpark due to Hurricane Dorian in 2019;
- CPDG – Costs of conversion to new Crowne Plaza brand standard as required by the franchisor, IHG; and
- HHG – Completion of capex to allow conversion to Doubletree brand standard as required by the franchisor, Hilton.

In addition, for the 15 closed properties, additional capex has been allowed for to take into account likely re-opening costs.

Colliers noted in arriving at their opinions of value that these amounts would be deducted in arriving at the final property value.

Appendix: Summary of 2020 Property Valuation Report



**No Sales Comparison Valuation provided for Queen Mary Hotel. Sales Comparison values illustratively include Queen Mary As-If and Stabilized DCF values, respectively*



VALUATION CERTIFICATE

SHERATON PASADENA (SPH)

Property / Address	: Sheraton Pasadena located at 303 Cordova Street, Pasadena, Los Angeles, CA 91101, USA
Client	: DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality REIT Management Pte. Ltd.
Purpose	: Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
Brief Description	: The subject Property, commonly known as Sheraton Hotel Pasadena, is a five-storey, 311-room, full-service lodging facility built in 1975. Franchised with the Marriott International LLC (Marriott) under the Sheraton brand, it is positioned at the upscale level mainly attracting groups (from the nearby Pasadena Convention Centre) and leisure guests. Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, swimming pool, laundry, volleyball court, and tennis courts.
Registered Owner	: Urban Commons Cordova A LLC
Legal Description and Zoning	: We understand the land is zoned CD-2, Central District Subarea 2 (Civic Center/Midtown). Permitted uses within this district include most commercial uses and multifamily residential development. The existing improvements and operation of the subject property represent a non-conforming use (due to parking). We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
Interest Valued	: Fee simple (freehold) property
Building Area	: Gross Land Area: 97,140 sq ft (circa 2.23 acres) Gross Floor Area: 158,307 sq ft
Basis of Valuation	: Market Value, 'As Is' and 'Upon Stabilization' basis
Principal Valuation Approach	: Income (DCF) Method
Terminal Capitalization Rate	: 7.50% - As Is 7.50% - Upon Stabilization
Discount Rate	: 8.50% - As Is 8.00% - Upon Stabilization
Date of Valuation	: 31 August 2020



Valuation

:

	As Is 31 August 2020	Upon Stabilization 31 August 2022
Market Value (US\$)	64,400,000	73,650,000
Per Room (US\$)	207,074	236,817

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By

:

Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their respective abilities to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

HOLIDAY INN HOTEL & SUITES ANAHEIM (HIA)

- Property / Address** : Holiday Inn Hotel & Suites Anaheim located at 1240 South Walnut Street, Anaheim, CA 92802, USA
- Client** : DBS Trustee Limited
(in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)

Eagle Hospitality REIT Management Pte. Ltd.
- Purpose** : Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
- Brief Description** : The subject Property, commonly known as Holiday Inn & Suites Anaheim Disneyland, is a six-storey, 255-room, full-service lodging facility built in 1978.

Franchised with the InterContinental Hotels Group (IHG) under the Holiday Inn brand, it is positioned at the mid-market level mainly attracting leisure guests from nearby Disneyland.

Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, swimming pool, children's water park, laundry and 'grab and go' retail area.
- Registered Owner** : Urban Commons Anaheim HI LLC
- Legal Description and Zoning** : We understand the land is zoned SP 92-2 and C-R, Anaheim Resort Specific Plan Area, Commercial-Recreation Zone. Permitted uses within this district include retail, restaurant, hotel and other visitor serving commercial uses, which meets its existing use. The existing improvements and operation of the subject Property represent a Non-conforming use (due to density).

We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
- Interest Valued** : Fee simple (freehold) property
- Building Area** : Gross Land Area: 167,710 sq ft (circa 3.85 acres)
Gross Floor Area: 167,880 sq ft
- Basis of Valuation** : Market Value, 'As Is' and 'Upon Stabilization' basis
- Principal Valuation Approach** : Income (DCF) Method
- Terminal Capitalization Rate** : 7.50% - As Is
7.50% - Upon Stabilization
- Discount Rate** : 8.50% - As Is
8.00% - Upon Stabilization
- Date of Valuation** : 31 August 2020



Valuation

:

	As Is 31 August 2020	Upon Stabilization 31 August 2022
Market Value (US\$)	43,800,000	49,600,000
Per Room (US\$)	171,765	194,510

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By

: Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

EMBASSY SUITES by HILTON ANAHEIM NORTH (ESAN)

- Property / Address** : Embassy Suites by Hilton Anaheim North located at 3100 East Frontera Street, Anaheim, CA 92806, USA
- Client** : DBS Trustee Limited
(in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)

Eagle Hospitality REIT Management Pte. Ltd.
- Purpose** : Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
- Brief Description** : The subject Property, commonly known as Embassy Suites by Hilton Anaheim North, is a seven-storey, 223-room, full-service lodging facility built in 1987.

Franchised with the Hilton Hotels Group (Hilton) under the Embassy Suites brand, it is positioned at the upper mid-market/four-star level mainly attracting leisure guests from nearby Disneyland.

Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, indoor swimming pool, laundry and 'grab and go' retail area.
- Registered Owner** : UFC 1 LLC
- Legal Description and Zoning** : We understand the land is zoned SP 205-1, DA-5 Anaheim Canyon Specific Plan Area, Commercial-Recreation Zone. Permitted uses within this district include retail, restaurant, hotel and other visitor serving commercial uses, which meets its existing use.

We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
- Interest Valued** : Fee simple (freehold) property
- Building Area** : Gross Land Area: 252,210 sq ft (circa 5.79 acres)
Gross Floor Area: 195,844 sq ft
- Basis of Valuation** : Market Value, 'As Is' and 'Upon Stabilization' basis
- Principal Valuation Approach** : Income (DCF) Method
- Terminal Capitalization Rate** : 7.50% - As Is
7.50% - Upon Stabilization
- Discount Rate** : 8.50% - As Is
8.00% - Upon Stabilization
- Date of Valuation** : 31 August 2020



Valuation

:

	As Is 31 August 2020	Upon Stabilization 31 August 2022
Market Value (US\$)	35,550,000	40,650,000
Per Room (US\$)	159,417	182,287

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By

: Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

HOLIDAY INN HOTEL & SUITES SAN MATEO (HISM)

- Property / Address** : Holiday Inn and Suites San Mateo located at 330 North Bayshore Boulevard, San Mateo, San Mateo County, CA 94401, USA.
- Client** : DBS Trustee Limited
(in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)

Eagle Hospitality REIT Management Pte. Ltd.
- Purpose** : Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
- Brief Description** : The subject Property, commonly known as Holiday Inn and Suites San Mateo, is a four-storey, 219-room, full-service lodging facility built in 1991.

Franchised with the InterContinental Hotels Group (IHG) under the Holiday Inn brand, it is positioned at the mid-market level mainly attracting leisure and corporate guests.

Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, free shuttle, hot tub, laundry, and retail.
- Registered Owner** : Urban Commons Bayshore A LLC
- Legal Description and Zoning** : We understand the land is zoned Multiple Family Dwelling (R-4). Permitted uses within this district include any use permitted in the R1, R2, or R3 districts (all residential uses). The existing improvements and operation of the subject property are legally permitted via special use permit, under zoning ordinance 27.24.020 (g), which permits hotels/motels on existing motel sites along North Bayshore Boulevard from East Popular Avenue to Cypress Avenue, subject to the approval of a special use permit by the planning commission. The Property is located in the AE flood zone, which is in areas determined to be inundated by the 100-year floodplain; this flood zone impacts much of the local area.

We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
- Interest Valued** : Fee simple (freehold) property
- Building Area** : Gross Land Area: 134,165 sq ft (circa 3.08 acres)
Gross Floor Area: 84,700 sq ft
- Basis of Valuation** : Market Value, 'As Is' and 'Upon Stabilization' basis
- Principal Valuation Approach** : Income (DCF) Method
- Terminal Capitalization Rate** : 7.62% - As Is
7.62% - Upon Stabilization
- Discount Rate** : 8.00% - As Is
7.50% - Upon Stabilization



Date of Valuation : 31 August 2020

Valuation :

	As Is 31 August 2020	Upon Stabilization 31 August 2023
Market Value (US\$)	40,100,000	50,800,000
Per Room (US\$)	183,105	231,963

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By

: Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

FOUR POINTS BY SHERATON SAN JOSE AIRPORT (FPSJ)

- Property / Address** : Four Points San Jose located at 1471 North 4th Street, San Jose, Santa Clara County, CA 95112, USA
- Client** : DBS Trustee Limited
(in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)

Eagle Hospitality REIT Management Pte. Ltd.
- Purpose** : Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
- Brief Description** : The subject Property, commonly known as Four Points by Sheraton San Jose Airport, is a five-storey, 195-room, full-service lodging facility built in 1985.

Franchised with the Marriott International LLC (Marriott) under the Four Points by Sheraton brand, it is positioned at the upper mid-market level mainly attracting leisure and corporate guests using the nearby airport and visiting the heart of Silicon Valley.

Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, swimming pool, spa, laundry, and retail.
- Registered Owner** : Urban Commons 4th Street A LLC
- Legal Description and Zoning** : We understand the land is zoned Commercial General (CG). Permitted uses within this district include hotel, office, retail, and various commercial uses. The existing improvements and operation of the subject Property represent a conforming use.

We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
- Interest Valued** : Fee simple (freehold) property
- Building Area** : Gross Land Area: 119,790 sq ft (circa 2.75 acres)
Gross Floor Area: 112,218 sq ft
- Basis of Valuation** : Market Value, 'As Is' and 'Upon Stabilization' basis
- Principal Valuation Approach** : Income (DCF) Method
- Terminal Capitalization Rate** : 7.67% - As Is
7.67% - Upon Stabilization
- Discount Rate** : 8.00% - As Is
7.50% - Upon Stabilization
- Date of Valuation** : 31 August 2020



Valuation

:

	As Is 31 August 2020	Upon Stabilization 31 August 2023
Market Value (US\$)	43,900,000	51,100,000
Per Room (US\$)	225,128	262,051

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By

: Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

THE WESTIN SACRAMENTO (WSAC)

- Property / Address** : Westin Sacramento located at 4800 Riverside Boulevard, Sacramento, CA 95822, USA
- Client** : DBS Trustee Limited
(in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)

Eagle Hospitality REIT Management Pte. Ltd.
- Purpose** : Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
- Brief Description** : The subject Property, commonly known as Westin Sacramento, is a three-storey, 101-room, full-service lodging facility built in 2008.

Franchised with the Marriott International LLC (Marriott) under the Westin brand, it is positioned at the upscale level mainly attracting leisure and corporate guests.

Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, swimming pool, spa, laundry, and retail.
- Registered Owner** : Urban Commons Riverside Blvd., A LLC
- Legal Description and Zoning** : We understand the land is zoned Parcels 1 & 2: Flood District ("F"); Parcel 3: General Commercial Review District ("C-2-R"). Permitted uses within the C-2-R district include a wide range of residential and commercial uses, and a more limited range of industrial and agricultural uses. The F district includes amusement centers, golf courses, restaurants, boat docks and marinas, with approval from the Planning and Design Commission. The existing improvements and operation of the subject Property represent a permitted use by right for hotel with accessory recreations / fitness facilities, accessory parking & restaurant within the C-2-R District, and as a permitted use for accessory fitness & recreation facilities, accessory parking and temporary tent within the F District per City Council Special Permit Approvals. The Zoning and Site Requirements Summary provided by the Client, which was developed by The Planning & Zoning Resource Corporation, and dated 11/1/12, presented numerous documents and court filings between the original developer and the City regarding the development. It is our understanding that the dock was permitted at the time of construction when it was built with the Hotel in 2008, but then its use was rescinded before it was fully operational, so it has never been used. As such, the utilization of the dock should be considered speculative at best at this point in time.

We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
- Interest Valued** : Fee simple (freehold) property
- Building Area** : Gross Land Area: 251,780 sq ft (circa 5.78 acres)
Gross Floor Area: 84,429 sq ft
- Basis of Valuation** : Market Value, 'As Is' and 'Upon Stabilization' basis



Principal Valuation Approach : Income (DCF) Method

Terminal Capitalization Rate : 8.14% - As Is
8.14% - Upon Stabilization

Discount Rate : 8.50% - As Is
8.00% - Upon Stabilization

Date of Valuation : 31 August 2020

Valuation

	As Is 31 August 2020	Upon Stabilization 31 August 2023
Market Value (US\$)	26,600,000	30,900,000
Per Room (US\$)	263,366	305,941

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By : Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

EMBASSY SUITES BY HILTON PALM DESERT (ESPD)

Property / Address	: Embassy Suites by Hilton Palm Desert located at 74-700 Highway 111, Palm Desert, Riverside County, CA 92260, USA
Client	: DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality REIT Management Pte. Ltd.
Purpose	: Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
Brief Description	: The subject Property, commonly known as Embassy Suites by Hilton Palm Desert, is a three-storey, 198-room, full-service lodging facility built in 1984. Franchised with the Hilton Hotels Group (Hilton) under the Embassy Suites brand, it is positioned at the upper mid-market/four-star level mainly attracting leisure guests. Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, swimming pool, laundry, volleyball court, and tennis courts.
Registered Owner	: Urban Commons Highway 111 A LLC
Legal Description and Zoning	: We understand the land is zoned PC-4 and PR, Planned Commercial Area 4 and Planned Residential. Permitted uses within the PC-4 zone include retail, restaurant, hotel and a wide range in other commercial uses. The PR-5 zone allows only single-family homes. All improvements meet its existing use. We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
Interest Valued	: Fee simple (freehold) property
Building Area	: Gross Land Area: 372,875 sq ft (circa 8.56 acres) Gross Floor Area: 302,641 sq ft
Basis of Valuation	: Market Value, 'As Is' and 'Upon Stabilization' basis
Principal Valuation Approach	: Income (DCF) Method
Terminal Capitalization Rate	: 7.50% - As Is 7.50% - Upon Stabilization
Discount Rate	: 8.50% - As Is 8.00% - Upon Stabilization
Date of Valuation	: 31 August 2020



Valuation

:

	As Is 31 August 2020	Upon Stabilization 31 August 2022
Market Value (US\$)	17,400,000	20,500,000
Per Room (US\$)	87,879	103,535

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By

: Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

THE QUEEN MARY LONG BEACH

- Property / Address** : Hotel Queen Mary Long Beach located at 1126 Queens Hwy Long Beach, CA 90802, USA
- Client** : DBS Trustee Limited
(in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)

Eagle Hospitality REIT Management Pte. Ltd.
- Purpose** : Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
- Brief Description** : The subject Property, commonly known as Queen Mary Long Beach, is a 12-storey, 346-room, full-service lodging facility converted from a permanently moored cruise liner in 1998. In addition, there is an adjacent 11.55-acre submerged site available for development for which there are currently no plans. As such, this has been excluded in this valuation. The Property is listed on the National Register of Historic Places.
- Independently operated, it is positioned at the upper end of the market mainly attracting a combination of leisure and corporate guests.
- Facilities include a gym, meeting rooms and ballroom (84,152 sq ft), restaurant and bar/lounge, car-parking, swimming pool, spa, themed retail area, laundry and numerous tours and attractions.
- Registered Owner** : City of Long Beach with a long lease granted to Urban Commons Queensway LLC.
- Legal Description and Zoning** : We understand the land is zoned PD-21, Planned Development, and is within the X Flood Zone. Permitted uses within this district include retail, restaurant, hotel, events and other visitor serving commercial uses, which meets its existing use.
- We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
- Interest Valued** : Long leasehold property with +/- 61 years remaining as at valuation date
- Building Area** : Gross Land Area: 2,797,423 sq ft (circa 64.22 acres) including both land and water areas. This includes the 11.55-acre site.
Gross Floor Area: 978,000 sq ft (vessel)
- Basis of Valuation** : Market Value, 'As Is' and 'Upon Stabilization' basis
- Principal Valuation Approach** : Income (DCF) Method
- Terminal Capitalization Rate** : Not Applicable (DCF applied over remaining lease term)



Discount Rate : 10.50% - As Is
10.00% - Upon Stabilization

Date of Valuation : 31 August 2020

Valuation :

	As Is 31 August 2020	Upon Stabilization 31 August 2022
Market Value (US\$)	88,950,000	108,100,000
Per Room (US\$)	257,081	312,428

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By : Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

RENAISSANCE DENVER STAPLETON (RDH)

Property / Address	: Renaissance Denver Stapleton Hotel located at 3801 Quebec Street, Denver, Colorado 80207, USA
Client	: DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality REIT Management Pte. Ltd.
Purpose	: Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
Brief Description	: The subject Property, commonly known as Renaissance Denver Stapleton Hotel, is a twelve-storey, 400-room, full-service lodging facility built in 1985. Franchised with the Marriott International LLC (Marriott) under the Renaissance brand, it is positioned at the upscale level mainly attracting leisure and corporate guests. Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, swimming pool, spa, laundry, and retail.
Registered Owner	: UCRDH LLC
Legal Description and Zoning	: We understand the land is zoned S-MX-12. Permitted uses within this district include hotel, office, retail and various mixed commercial uses. The existing improvements and operation of the subject Property represent a conforming use. We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
Interest Valued	: Fee simple (freehold) property
Building Area	: Gross Land Area: 141,570 sq ft (circa 3.25 acres) Gross Floor Area: 384,124 sq ft
Basis of Valuation	: Market Value, 'As Is' and 'Upon Stabilization' basis
Principal Valuation Approach	: Income (DCF) Method
Terminal Capitalization Rate	: 9.25% - As Is 9.25% - Upon Stabilization
Discount Rate	: 11.25% - As Is 10.50% - Upon Stabilization
Date of Valuation	: 31 August 2020



Valuation

:

	As Is 31 August 2020	Upon Stabilization 31 August 2023
Market Value (US\$)	61,100,000	73,100,000
Per Room (US\$)	152,750	182,750

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By

: Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

HOLIDAY INN DENVER EAST – STAPLETON (HIDH)

Property / Address	: Holiday Inn Denver East Stapleton located at 3333 Quebec Street, Denver, Colorado 80207, USA
Client	: DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality REIT Management Pte. Ltd.
Purpose	: Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
Brief Description	: The subject Property, commonly known as Holiday Inn Denver East Stapleton, is an eleven-storey, 298-room, full-service lodging facility built in 1973. Franchised with the InterContinental Hotels Group (IHG) under the Holiday Inn brand, it is positioned at the mid-market level mainly attracting leisure and corporate guests. Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, swimming pool, spa, laundry, and retail.
Registered Owner	: UCHIDH LLC
Legal Description and Zoning	: We understand the land is zoned S-CC-3X. Permitted uses within this district include hotel, office, retail and various mixed commercial uses. The existing improvements and operation of the subject Property represent a conforming use. We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
Interest Valued	: Fee simple (freehold) property
Building Area	: Gross Land Area: 90,456 sq ft (circa 2.08 acres) Gross Floor Area: 159,573 sq ft
Basis of Valuation	: Market Value, 'As Is' and 'Upon Stabilization' basis
Principal Valuation Approach	: Income (DCF) Method
Terminal Capitalization Rate	: 9.25% - As Is 9.25% - Upon Stabilization
Discount Rate	: 11.25% - As Is 10.50% - Upon Stabilization
Date of Valuation	: 31 August 2020



Valuation

:

	As Is 31 August 2020	Upon Stabilization 31 August 2023
Market Value (US\$)	30,700,000	36,900,000
Per Room (US\$)	103,020	123,826

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By

:

Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

SHERATON DENVER TECH CENTER (SDTC)

- Property / Address** : Sheraton Denver Tech Center located at 7007 S Clinton Street, Greenwood Village, Arapahoe County, Colorado 80112, USA
- Client** : DBS Trustee Limited
(in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)

Eagle Hospitality REIT Management Pte. Ltd.
- Purpose** : Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
- Brief Description** : The subject Property, commonly known as Sheraton Hotel Denver Tech Center, is a ten-storey, 263-room, full-service lodging facility built in 1985.

Franchised with Marriott International LLC (Marriott) under the Sheraton brand, it is positioned at the upscale level mainly attracting leisure and corporate guests.

Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, swimming pool, laundry, and retail.
- Registered Owner** : Sky Harbor Denver Tech Center LLC
- Legal Description and Zoning** : We understand the land is zoned MC. The Mixed Commercial District is intended to allow for office, entertainment, lodging and a variety of retail uses serving the daily needs of the region next to major thoroughfares. The existing improvements and operation of the subject Property represent a conforming use.

We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
- Interest Valued** : Fee simple (freehold) property
- Building Area** : Gross Land Area: 240,887 sq ft (circa 5.53 acres)
Gross Floor Area: 232,975 sq ft
- Basis of Valuation** : Market Value, 'As Is' and 'Upon Stabilization' basis
- Principal Valuation Approach** : Income (DCF) Method
- Terminal Capitalization Rate** : 8.50% - As Is
8.50% - Upon Stabilization
- Discount Rate** : 10.50% - As Is
9.75% - Upon Stabilization
- Date of Valuation** : 31 August 2020



Valuation

:

	As Is 31 August 2020	Upon Stabilization 31 August 2023
Market Value (US\$)	23,900,000	37,100,000
Per Room (US\$)	90,875	141,065

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By

:

Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

HOLIDAY INN RESORT ORLANDO SUITES - WATERPARK (OHIR)

Property / Address	: Holiday Inn Resort Orlando Suites – Waterpark located at 14500 Continental Gateway Drive, Orlando, Florida 32821, USA
Client	: DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality REIT Management Pte. Ltd.
Purpose	: Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
Brief Description	: The subject Property, commonly known as Holiday Inn Resort Orlando Suites-Waterpark, is a six-storey, 777-room, full-service lodging facility built in 1999. Franchised with the InterContinental Hotels Group (IHG) under the Holiday Inn brand, it is positioned at the mid-market level mainly attracting leisure guests visiting the nearby Walt Disney World. Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, swimming pools, playground, arcade, mini-golf, basketball court, laser maze, 4D theatre, laundry, and retail.
Registered Owner	: UCCONT1 LLC
Legal Description and Zoning	: We understand the land is zoned PD, Planned Development. The Property was approved for resort/hospitality related development as a specific development under the PD, Planned Development within the World Gateway (PD/DRI). The existing improvements and operation of the subject Property represent a conforming use. We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
Interest Valued	: Fee simple (freehold) property
Building Area	: Gross Land Area: 1,135,175 sq ft (circa 26.06 acres) Gross Floor Area: 597,940 sq ft
Basis of Valuation	: Market Value, 'As Is' and 'Upon Stabilization' basis
Principal Valuation Approach	: Income (DCF) Method
Terminal Capitalization Rate	: 8.00% - As Is 8.00% - Upon Stabilization
Discount Rate	: 10.00% - As Is 9.25% - Upon Stabilization
Date of Valuation	: 31 August 2020



Valuation

:

	As Is 31 August 2020	Upon Stabilization 31 August 2022
Market Value (US\$)	91,200,000	106,700,000
Per Room (US\$)	117,375	137,323

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By

: Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

CROWNE PLAZA DALLAS NEAR GALLERIA-ADDISON (CPDG)

- Property / Address** : Crowne Plaza Dallas Galleria located at 14315 Midway Road, Addison, Dallas County, Texas 75001, USA
- Client** : DBS Trustee Limited
(in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)

Eagle Hospitality REIT Management Pte. Ltd.
- Purpose** : Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
- Brief Description** : The subject Property, commonly known as Crowne Plaza Dallas Near Galleria Addison, is a four-storey, 428-room, full-service lodging facility built in 1984.

Franchised with InterContinental Hotels Group (IHG) under the Crowne Plaza brand, it is positioned at the upper four-star level mainly attracting leisure and corporate guests.

Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, swimming pool, laundry, and retail.
- Registered Owner** : 14315 Midway Road Addison LLC
- Legal Description and Zoning** : We understand the land is zoned PD - Planned Development. Permitted uses within this district include multifamily, daycare, restaurants, hospitals/medical office, hotel/motel, office, retail, light industrial, automotive and various commercial uses. The existing improvements and operation of the subject Property represent a conforming use.

We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
- Interest Valued** : Fee simple (freehold) property
- Building Area** : Gross Land Area: 302,118 sq ft (circa 6.94 acres)
Gross Floor Area: 273,481 sq ft
- Basis of Valuation** : Market Value, 'As Is' and 'Upon Stabilization' basis
- Principal Valuation Approach** : Income (DCF) Method
- Terminal Capitalization Rate** : 9.25% - As Is
9.25% - Upon Stabilization
- Discount Rate** : 11.25% - As Is
10.50% - Upon Stabilization
- Date of Valuation** : 31 August 2020



Valuation

:

	As Is 31 August 2020	Upon Stabilization 31 August 2023
Market Value (US\$)	18,600,000	39,200,000
Per Room (US\$)	43,458	91,589

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020 which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By

: Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

HILTON HOUSTON GALLERIA AREA (HHG)

Property / Address	: Hilton Houston Galleria Area located at 6780 Southwest Freeway, Houston, Harris County, Texas 77074, USA
Client	: DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality REIT Management Pte. Ltd.
Purpose	: Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
Brief Description	: The subject Property, commonly known as Hilton Houston Galleria Area, is a thirteen-storey, 292-room, full-service lodging facility built in 1977. Franchised with Hilton Franchise LLC (Hilton) under the Hilton brand, it is positioned at the upscale level mainly attracting leisure and corporate guests. Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, swimming pool, laundry, and retail.
Registered Owner	: 6780 Southwest Fwy Houston LLC
Legal Description and Zoning	: We understand that the City of Houston does not have any zoning regulations, and is considered to be a conforming use by typical deed restriction. The existing improvements and operation of the subject Property represent a conforming use. We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
Interest Valued	: Fee simple (freehold) property
Building Area	: Gross Land Area: 229,560 sq ft (circa 5.27 acres) Gross Floor Area: 201,930 sq ft
Basis of Valuation	: Market Value, 'As Is' and 'Upon Stabilization' basis
Principal Valuation Approach	: Income (DCF) Method
Terminal Capitalization Rate	: 8.50% - As Is 8.50% - Upon Stabilization
Discount Rate	: 10.50% - As Is 9.75% - Upon Stabilization
Date of Valuation	: 31 August 2020



Valuation

:

	As Is 31 August 2020	Upon Stabilization 31 August 2023
Market Value (US\$)	24,800,000	33,000,000
Per Room (US\$)	84,932	113,014

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By

: Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

DELTA HOTELS WOODBRIDGE (DWNJ)

- Property / Address** : Delta Hotels by Marriott Woodbridge located at 515 US Highway 1 South, Iselin, Middlesex County, New Jersey 08830, USA
- Client** : DBS Trustee Limited
(in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)

Eagle Hospitality REIT Management Pte. Ltd.
- Purpose** : Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
- Brief Description** : The subject Property, commonly known as Delta Hotels Woodbridge Hotel, is a seven-storey, 311-room, full-service lodging facility built in 1986.

Franchised with the Marriott International LLC (Marriott) under the Delta brand, it is positioned at the upscale level mainly attracting leisure and corporate guests.

Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, swimming pool, laundry, and retail.
- Registered Owner** : Urban Commons LLC
- Legal Description and Zoning** : We understand the land is zoned RIR & PUDO. Permitted uses within this district include: hotels; restaurants, including drive-thru restaurants; bars; lounges; taverns; retail sales and service; offices (excluding medical and dental), financial institutions. The existing improvements and operation of the subject Property represent a conforming use.

We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
- Interest Valued** : Fee simple (freehold) property
- Building Area** : Gross Land Area: 470,550 sq ft (circa 10.8 acres)
Gross Floor Area: 220,603 sq ft
- Basis of Valuation** : Market Value, 'As Is' and 'Upon Stabilization' basis
- Principal Valuation Approach** : Income (DCF) Method
- Terminal Capitalization Rate** : 8.50% - As Is
8.50% - Upon Stabilization
- Discount Rate** : 10.50% - As Is
9.75% - Upon Stabilization
- Date of Valuation** : 31 August 2020



Valuation

:

	As Is 31 August 2020	Upon Stabilization 31 August 2023
Market Value (US\$)	37,600,000	51,000,000
Per Room (US\$)	120,900	163,987

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By

: Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

CROWNE PLAZA DANBURY (CPD)

- Property / Address** : Crowne Plaza Danbury located at 18 Old Ridgebury Road, Danbury, Fairfield County, Connecticut 06810, USA
- Client** : DBS Trustee Limited
(in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)

Eagle Hospitality REIT Management Pte. Ltd.
- Purpose** : Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
- Brief Description** : The subject Property, commonly known as Crowne Plaza Danbury, is a ten-storey, 242-room, full-service lodging facility built in 1980.

Franchised with the InterContinental Hotels Group (IHG) under the Crowne Plaza brand, it is positioned at the upscale market level mainly attracting leisure and corporate guests.

Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, swimming pool, laundry, and retail.
- Registered Owner** : Urban Commons Danbury A LLC
- Legal Description and Zoning** : We understand the land is zoned CA-80. Permitted uses within this district include general and heavy commercial uses along major roadways, adult care facilities, banking or financial institutions, office, museum, and hotels among other uses. The existing improvements and operation of the subject Property represent a conforming use.

We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
- Interest Valued** : Fee simple (freehold) property
- Building Area** : Gross Land Area: 315,375 sq ft (circa 7.24 acres)
Gross Floor Area: 191,406 sq ft
- Basis of Valuation** : Market Value, 'As Is' and 'Upon Stabilization' basis
- Principal Valuation Approach** : Income (DCF) Method
- Terminal Capitalization Rate** : 9.25% - As Is
9.25% - Upon Stabilization
- Discount Rate** : 11.25% - As Is
10.50% - Upon Stabilization
- Date of Valuation** : 31 August 2020



Valuation

:

	As Is 31 August 2020	Upon Stabilization 31 August 2024
Market Value (US\$)	5,200,000	9,300,000
Per Room (US\$)	21,488	38,430

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By

: Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

DOUBLETREE BY HILTON SALT LAKE CITY AIRPORT (DTSLC)

- Property / Address** : Doubletree by Hilton Salt Lake City Airport located at 5151 Wiley Post Way Salt Lake City, Utah 84116, USA
- Client** : DBS Trustee Limited
(in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)

Eagle Hospitality REIT Management Pte. Ltd.
- Purpose** : Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
- Brief Description** : The subject Property, commonly known as Doubletree by Hilton Salt Lake City Airport, is a five-storey, 288-room, full-service lodging facility built in 1980.

Franchised with Hilton Inns Inc (Hilton) under the Doubletree by Hilton brand, it is positioned at the upper four-star level mainly attracting leisure and corporate guests.

Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, swimming pool, spa, basketball court, laundry, and retail.
- Registered Owner** : 5151 Wiley Post Way Salt Lake City LLC
- Legal Description and Zoning** : We understand the land is zoned M-1. The Light Manufacturing District allows for retail, office, light industrial, day care, schools, and hotel/motels. The existing improvements and operation of the subject Property represent a conforming use.

We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
- Interest Valued** : Fee simple (freehold) property
- Building Area** : Gross Land Area: 313,632 sq ft (circa 7.2 acres)
Gross Floor Area: 187,200 sq ft
- Basis of Valuation** : Market Value, 'As Is' and 'Upon Stabilization' basis
- Principal Valuation Approach** : Income (DCF) Method
- Terminal Capitalization Rate** : 8.25% - As Is
8.25% - Upon Stabilization
- Discount Rate** : 10.25% - As Is
9.50% - Upon Stabilization
- Date of Valuation** : 31 August 2020



Valuation

:

	As Is 31 August 2020	Upon Stabilization 31 August 2023
Market Value (US\$)	39,500,000	48,900,000
Per Room (US\$)	137,153	169,792

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By

: Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.



VALUATION CERTIFICATE

HILTON ATLANTA NORTHEAST (HAN)

Property / Address	: Hilton Atlanta Northeast located at 5993 Peachtree Industrial Boulevard, Peachtree Corners, Gwinnett County, Georgia 30092, USA
Client	: DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality REIT Management Pte. Ltd.
Purpose	: Public disclosure in circular to Unitholders of EH REIT and financial reporting of Eagle Hospitality Trust on the SGX-ST (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust).
Brief Description	: The subject Property, commonly known as Hilton Atlanta Northeast, is a ten-storey, 271-room, full-service lodging facility built in 1986. Franchised with Hilton Inns Inc (Hilton) under the Hilton brand, it is positioned at the upscale level mainly attracting leisure and corporate guests. Facilities include a gym, meeting rooms, restaurant and bar/lounge, car-parking, swimming pool, laundry, and retail.
Registered Owner	: Sky Harbor Atlanta Northeast LLC
Legal Description and Zoning	: We understand the land is zoned C2, General Business District. Permitted uses within this district include general retail sales and service uses, hotel/motel, office, and various entertainment, public, institutional, and recreational uses. The existing improvements and operation of the subject Property represent a conforming use. We are not aware of any express conditions, restriction in interest or encumbrances that could prevent an orderly sale.
Interest Valued	: Fee simple (freehold) property
Building Area	: Gross Land Area: 435,600 sq ft (circa 10 acres) Gross Floor Area: 186,592 sq ft
Basis of Valuation	: Market Value, 'As Is' and 'Upon Stabilization' basis
Principal Valuation Approach	: Income (DCF) Method
Terminal Capitalization Rate	: 8.00% - As Is 8.00% - Upon Stabilization
Discount Rate	: 10.00% - As Is 9.25% - Upon Stabilization
Date of Valuation	: 31 August 2020



Valuation

:

	As Is 31 August 2020	Upon Stabilization 31 August 2022
Market Value (US\$)	33,600,000	39,100,000
Per Room (US\$)	123,985	144,280

**Assumptions,
Disclaimers, Limitations
& Qualifications**

This opinion is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this letter, and in our engagement proposal dated 2 September 2020, which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this summary. Reliance on this letter and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This opinion is for the use only of the party to whom it is addressed and for no other purpose. To the extent permitted by applicable laws (including the Securities and Futures Act (Chapter 289), no responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this opinion. The valuer has no pecuniary interest that would conflict with the proper valuation of the Property.

Prepared By

: Chris Stickney, MAI
Associate Managing Director
Colliers International

Govinda Singh FCCA FCMA MRICS
Executive Director and Registered Valuer
Colliers International

They have been supported by a team of local valuers and research personnel across the geographic regions where the Property is located.

They and Colliers International have no pecuniary interest that could reasonably be regarded as being capable of affecting their ability to give an unbiased opinion of the values or that could conflict with a proper valuation of the subject Property.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

This Notice has been made available on SGXNET and EHT's website at <https://eagleht.com>. A printed copy of this Notice will NOT be despatched to Stapled Securityholders.

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the "**EGM**") of Eagle Hospitality Trust ("**EHT**"), a stapled group comprising Eagle Hospitality Real Estate Investment Trust ("**EH-REIT**") and Eagle Hospitality Business Trust ("**EH-BT**"), will be held by way of electronic means on **Wednesday, 30 December 2020 at 2.00 p.m.**, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

*All capitalised terms used in this Notice of EGM which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the circular to Stapled Securityholders dated 8 December 2020 (the "**Circular**").*

RESOLUTION 1 (ORDINARY RESOLUTION)

THE PROPOSED APPOINTMENT OF SCCPRE HOSPITALITY REIT MANAGEMENT PTE. LTD. AS THE NEW REIT MANAGER OF EH-REIT

That, subject to and contingent upon the passing of Resolution 2, Resolution 3 and Resolution 4:-

- (a) SCCPRE Hospitality REIT Management Pte. Ltd. be appointed as the new manager of EH-REIT (the "**New REIT Manager**"), the details of which are set out in the Circular; and
- (b) the EH-REIT Trustee and the New REIT Manager be and are hereby authorised and empowered to complete and do all acts and things, including without limitation, entering into all such transactions, arrangements and agreements and executing all such documents, as they may in their absolute discretion consider necessary, desirable or expedient in connection with the proposed appointment of SCCPRE Hospitality REIT Management Pte. Ltd. as the new manager of EH-REIT (including the entry into of the First Supplemental Deed of Appointment to the EH-REIT Trust Deed and the entry into of a new Stapling Deed by the New REIT Manager and EH-REIT Trustee) and to give effect to this resolution.

RESOLUTION 2 (EXTRAORDINARY RESOLUTION)

THE PROPOSED BASE FEE SUPPLEMENT (EH-REIT) TO THE EH-REIT TRUST DEED TO REFLECT THE PROPOSED BASE FEE STRUCTURE OF THE NEW REIT MANAGER AS AN INTERESTED PERSON TRANSACTION

That, subject to and contingent upon the passing of Resolution 1, Resolution 3 and Resolution 4:-

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (a) approval be and is hereby given to supplement the existing EH-REIT Trust Deed with the Proposed Base Fee Supplement (EH-REIT), in the manner set out in Appendix D to the Circular; and
- (b) the New REIT Manager, any director or the chief executive officer of the New REIT Manager and the EH-REIT Trustee be and are hereby severally authorised to complete and do all such acts and things as the New REIT Manager, such director or the chief executive officer or, as the case may be, the EH-REIT Trustee may consider expedient or necessary or in the interest of EH-REIT to give effect to the Proposed Base Fee Supplement (EH-REIT) and/or the transactions contemplated under this resolution, including without limitation to the foregoing, to negotiate, sign, execute and deliver all documents, approve any amendments, alterations or modifications to any document (if required).

RESOLUTION 3 (ORDINARY RESOLUTION)

THE PROPOSED APPOINTMENT OF SCCPRE HOSPITALITY BUSINESS TRUST MANAGEMENT PTE. LTD. AS THE NEW TRUSTEE-MANAGER OF EH-BT AND WAIVER OF THE 14-DAYS' NOTICE PERIOD REQUIRED UNDER REGULATION 14(3)(B) OF THE BUSINESS TRUSTS REGULATIONS

That, subject to and contingent upon the passing of Resolution 1, Resolution 2 and Resolution 4:-

- (a) the 14-days' notice period required under Regulation 14(3)(b) of the BTR in relation to the tabling of this Resolution 3 in respect of, *inter alia*, the proposed appointment of SCCPRE Hospitality Business Trust Management Pte. Ltd. as the new trustee-manager of EH-BT at the EGM be waived by the Stapled Securityholders, such that the EH-BT Trustee-Manager's exemption from compliance with Regulation 14(3)(b) of the BTR pursuant to the MAS Regulation 14(3)(b) BTR Ruling applies;
- (b) SCCPRE Hospitality Business Trust Management Pte. Ltd. be appointed as the new trustee-manager of EH-BT (the "**New Trustee-Manager**"), the details of which are set out in the Circular, with effect from the date of passing of Resolution 1, Resolution 2, Resolution 3 and Resolution 4; and
- (c) Eagle Hospitality Business Trust Management Pte. Ltd. (as trustee-manager of EH-BT) and any director or the chief executive officer of Eagle Hospitality Business Trust Management Pte. Ltd. (as trustee-manager of EH-BT) as well as the New Trustee-Manager and any director or the chief executive officer of the New Trustee-Manager be and are hereby authorised and empowered to complete and do all acts and things, including without limitation, entering into all such transactions, arrangements and agreements and executing all such documents, as they may in their absolute discretion consider necessary, desirable or expedient in connection with the waiver of the 14-days' notice period required under Regulation 14(3)(b) of the BTR and the proposed appointment of SCCPRE Hospitality Business Trust Management Pte. Ltd. as the new trustee-manager of EH-BT (including the entry into of a new Stapling Deed by the New Trustee-Manager) and to give effect to this resolution.

RESOLUTION 4 (ORDINARY RESOLUTION)

THE PROPOSED AUTHORITY FOR THE ISSUANCE OF UP TO 140,000,000 NEW STAPLED SECURITIES AT THE ISSUE PRICE PER STAPLED SECURITY FOR PAYMENT OF THE NEW MANAGERS' BASE FEES PAYABLE TO THE NEW REIT MANAGER AND THE NEW TRUSTEE-MANAGER FOR THE FINANCIAL YEARS ENDING 31 DECEMBER 2021 AND 2022

That, subject to and contingent upon the passing of Resolution 1, Resolution 2 and Resolution 3:-

- (a) authority be and is hereby given to the New REIT Manager and the New Trustee-Manager (collectively, the "**New Managers**") for the issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of EHT, of up to 140,000,000 new stapled securities in EHT ("**Stapled Securities**") at an issue price per Stapled Security calculated in accordance with the EH-REIT Trust Deed and EH-BT Trust Deed

NOTICE OF EXTRAORDINARY GENERAL MEETING

respectively (as summarised in Paragraph 2.5.2 of the Circular) as payment of the Base Fees payable to the New Managers under the EH-REIT Trust Deed and the EH-BT Trust Deed respectively for the financial years ending 31 December 2021 and 2022, which the New Managers will agree are to be paid in the form of Stapled Securities, in the manner described in the Circular; and

- (b) the New Managers, any director or chief executive officer of the New Managers and the EH-REIT Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the New Managers, such director or the chief executive officer of the New Managers or, as the case may be, the EH-REIT Trustee, may consider expedient or necessary or in the interests of EHT to give effect to this resolution.

RESOLUTION 5 (EXTRAORDINARY RESOLUTION)

PROPOSED (A) VOLUNTARY DELISTING OF EAGLE HOSPITALITY TRUST, (B) VOLUNTARY TERMINATION AND WINDING-UP OF EAGLE HOSPITALITY REAL ESTATE INVESTMENT TRUST, AND (C) VOLUNTARY WINDING-UP OF EAGLE HOSPITALITY BUSINESS TRUST

That subject to and contingent upon any of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 not being passed and/or carried and this Resolution 5 being passed:-

- (a) the voluntary delisting of EHT from the Official List of the SGX-ST under Clause 9.2 and Paragraph 5(i) of Schedule 1 to the EH-REIT Trust Deed, Clause 8.2 of the EH-BT Trust Deed and Clause 10.2 of the Stapling Deed, pursuant to which the EH-REIT Manager and/or the EH-REIT Trustee (as the case may be) will terminate and wind-up EH-REIT in accordance with Clauses 26.2.3 and 26.5 of the EH-REIT Trust Deed respectively, be and is hereby approved, and the EH-REIT Manager and the EH-REIT Trustee (as the case may be) be and are hereby authorised to proceed with the voluntary termination and winding-up of EH-REIT in accordance with the EH-REIT Trust Deed;
- (b) the voluntary winding-up of EH-BT under Clause 24.1 of the EH-BT Trust Deed and Section 45 of the BTA be and is hereby approved, and the EH-BT Trustee-Manager be and is hereby authorised to proceed with the voluntary winding-up of EH-BT in accordance with the BTA and the EH-BT Trust Deed; and
- (c) the Managers, any director or the chief executive officer of the Managers and the EH-REIT Trustee (in respect of EH-REIT) be and are hereby authorised and empowered to complete and do all acts and things, including without limitation, entering into all such transactions, arrangements and agreements and executing all such documents, as they may in their absolute discretion consider necessary, desirable or expedient in connection with the voluntary delisting of EHT, voluntary termination and winding-up of EH-REIT and voluntary winding-up of EH-BT and to give effect to this resolution.

BY ORDER OF THE BOARD

Mr. Lau Chun Wah @ Davy Lau
Lead Independent Director and Independent Non-Executive Director

Eagle Hospitality REIT Management Pte. Ltd.
(as manager of Eagle Hospitality Real Estate Investment Trust)
(Company Registration Number: 201829789W)

Eagle Hospitality Business Trust Management Pte. Ltd.
(as trustee-manager of Eagle Hospitality Business Trust)
(Company Registration Number: 201929816K)

Singapore
8 December 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. A Stapled Securityholder will not be able to attend the EGM in person. A Stapled Securityholder (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Stapled Securityholder wishes to exercise his/her/its voting rights at the EGM.
2. A Stapled Securityholder who is a relevant intermediary entitled to vote at the EGM must appoint the Chairman of the EGM to attend and vote instead of the Stapled Securityholder.

“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Stapled Securities in that capacity; or
 - (c) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Stapled Securities purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Stapled Securities in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. The Chairman of the EGM, as proxy, need not be a Stapled Securityholder of EHT.
 4. The instrument appointing the Chairman of the EGM as proxy (the “**Proxy Form**”) must be deposited with the registered office address of the REIT Manager of Eagle Hospitality Real Estate Investment Trust and the Trustee-Manager of Eagle Hospitality Business Trust, at **8 Marina Boulevard, #11-15/17 Marina Bay Financial Centre Tower 1, Singapore 018981** or sent by email to EGM.REG@eagleht.com, not less than seventy-two (72) hours before the time appointed for the EGM, i.e. by **2.00 p.m. on 27 December 2020**.

Personal data privacy:

By (a) submitting an instrument appointing the Chairman of the EGM as a proxy to vote at the EGM and/or any adjournment thereof, or (b) complete the Pre-registration in accordance with this Notice, or (c) submitting any question prior to the EGM in accordance with this Notice, a Stapled Securityholder of EHT consents to the collection, use and disclosure of the Stapled Securityholders’ personal data by EHT, the Managers and the EH-REIT Trustee (or their agents or service providers) for the following purposes:

- (i) the processing and administration by EHT, the Managers and the EH-REIT Trustee (or their agents or service providers) of proxy forms appointing the Chairman of the EGM as a proxy for the EGM (including any adjournment thereof);
- (ii) the processing of the Pre-registration for purposes of granting access to Stapled Securityholders (or their corporate representatives in the case of Stapled Securityholders which are legal entities) to observe the EGM proceedings and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from Stapled Securityholders received before the EGM and if necessary, following up with the relevant Stapled Securityholders in relation to such questions;
- (iv) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof); and
- (v) enabling EHT, the Managers and the EH-REIT Trustee (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Participation in the EGM via “live” audio-and-video webcast or “live” audio feed

NOTICE OF EXTRAORDINARY GENERAL MEETING

1. As the EGM will be held by way of electronic means, Stapled Securityholders will **NOT** be able to attend the EGM in person. All Stapled Securityholders or their corporate representatives (in the case of Stapled Securityholders which are legal entities) will be able to participate in the EGM proceedings by accessing a “live” audio-and-video webcast or listening to a “live” audio feed. To do so, Stapled Securityholders are required to pre-register their participation in the EGM (“**Pre-registration**”) at <https://eaglehtegm.listedcompany.com/eagle-hospitality-trust-2020-egm> (“**EGM Registration**”) by **2.00 p.m. on 27 December 2020 (“Registration Deadline”)** for verification of their status as Stapled Securityholders (or the corporate representatives of such Stapled Securityholders).
2. Upon successful verification, each such Stapled Securityholder or its corporate representative will receive an email by **6.00 p.m. on 28 December 2020**. The email will contain instructions to access the “live” audio-and-video webcast or “live” audio feed of the EGM proceedings. Stapled Securityholders or their corporate representatives must not forward the email to other persons who are not Stapled Securityholders and who are not entitled to participate in the EGM proceedings. Stapled Securityholders or their corporate representatives who have pre-registered by the Registration Deadline in accordance with paragraph 1 above but do not receive an email by 6.00 p.m. on 28 December 2020 may contact the Managers for assistance at enquiry@eagleht.com.
3. Stapled Securityholders holding Stapled Securities through relevant intermediaries (other than CPF or SRS investors) will not be able to pre-register for the “live” audio-and-video webcast or “live” audio feed of the EGM. Such Stapled Securityholders who wish to participate in the “live” audio-and-video webcast or “live” audio feed of the EGM should instead approach his/her relevant intermediary as soon as possible in order to make the necessary arrangements.

Voting by proxy

4. Stapled Securityholders may only exercise their voting rights at the EGM via proxy voting (see paragraphs 5 to 8 below).
5. Stapled Securityholders who wish to vote on any or all of the resolutions at the EGM must appoint the Chairman of the EGM as their proxy to do so on their behalf, indicating how the Stapled Securityholder wished to vote for or vote against or abstain from voting on each resolution. **If a Stapled Securityholder does not give a specific direction as to voting for a particular resolution, the appointment of the Chairman of the EGM as proxy for that particular resolution will be treated as invalid. Stapled Securityholders should note that Resolution 1, Resolution 2, Resolution 3 and Resolution 4 are inter-conditional. Therefore, if any of Resolution 1, Resolution 2, Resolution 3 or Resolution 4 is not passed and/or carried, ALL of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 will not be passed and/or carried and Resolution 5 will be put forth for voting.**
6. The duly executed proxy form must be deposited at the registered office address of the Managers, at **8 Marina Boulevard, #11-15/17 Marina Bay Financial Centre Tower 1, Singapore 018981** or sent by email to **EGM.REG@eagleht.com** not less than seventy-two (72) hours before the time appointed for the holding of the EGM, i.e. by **2.00 p.m. on 27 December 2020**.
7. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the EGM (i.e. by 2.00 p.m. on 18 December 2020) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by the cut-off date.
8. Please note that Stapled Securityholders will not be able to vote through the “live” audio-and-video webcast and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.

Submission of questions prior to the EGM

9. Stapled Securityholders may submit questions related to the resolutions to be tabled at the EGM via the EGM Q&A email at **EGM.QNA@eagleht.com** so that they may be addressed before or during the EGM proceedings. All questions must be submitted by 2.00 p.m. on 23 December 2020.
10. The Managers shall only address relevant and substantial questions (as may be determined by the Managers in its sole discretion) received in advance of the EGM either before or during the EGM. The managers of EHT and/or the EH-REIT Trustee will publish the minutes of the EGM on SGXNET and EHT’s website within one (1) month after the date of the EGM.
11. Please note that Stapled Securityholders will not be able to ask questions at the EGM “live” during the audio-and-video webcast and the audio feed, and therefore it is important for Stapled Securityholders to pre-register their participation in order to be able to submit their questions in advance of the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Important reminder

12. **Due to the constantly evolving COVID-19 situation, the Managers of EHT may be required to change its EGM arrangements at short notice. Stapled Securityholders are advised to regularly check the Managers' website or announcements released on SGXNET for updates on the EGM. Further, in light of the current COVID-19 measures, which may make it difficult for Stapled Securityholders to submit completed proxy forms by post, Stapled Securityholders are strongly encouraged to submit completed proxy forms electronically via email.**

Stapled Securityholders may make a request for a copier-generated Circular, the Notice of EGM and the Proxy Form via email at enquiry@eagleht.com. Arrangements will be made for the collection of the document(s) from the registered office of the Managers located at 8 Marina Boulevard, #11-15/17, Marina Bay Financial Centre Tower 1, Singapore 018981. Please note that copier-generated documents shall be provided up to 23 December 2020 only.

PROXY FORM

4	<p>Resolution 4 (Ordinary Resolution) To approve the proposed authority for the issuance of up to 140,000,000 new Stapled Securities at the Issue Price per Stapled Security for payment of the New Managers' Base Fees for the financial years ending 31 December 2021 and 2022 (Conditional upon Resolution 1, Resolution 2 and Resolution 3)</p>			
5	<p>Resolution 5 (Extraordinary Resolution) To approve the proposed (a) voluntary delisting of EHT, (b) voluntary termination and winding-up of EH-REIT, and (c) voluntary winding-up of EH-BT, in the event that any of Resolution 1, Resolution 2, Resolution 3 and Resolution 4 is not passed and/or carried</p>			

** If you wish to abstain or exercise all your votes 'For', 'Against' or 'Abstain', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this ____ day of ____ 2020

Total number of Stapled Securities Held

Signature(s) of Stapled Securityholder(s) / Common Seal of Corporate Stapled Securityholder

** To delete as appropriate*

All capitalised terms used in this Proxy Form which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in EHT's circular to its Stapled Securityholders dated 8 December 2020.

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

PROXY FORM

Notes to the Proxy Form:

1. The EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. A stapled securityholder of EHT ("**Stapled Securityholder**") will not be able to attend the EGM in person and must appoint the Chairman of the EGM to attend, speak and vote on his/her/its behalf at the EGM.
2. A Stapled Securityholder who is a relevant intermediary entitled to attend and vote at the EGM must appoint the Chairman of the EGM to attend and vote instead of the Stapled Securityholder.
"Relevant intermediary" means:
 - (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Stapled Securities in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Stapled Securities in that capacity; or
 - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Stapled Securities purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Stapled Securities in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the EGM (i.e. by 2.00 p.m. on 18 December 2020) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by the cut-off date.
4. The Chairman of the EGM, as proxy, need not be a Stapled Securityholder of EHT.
5. The instrument appointing the Chairman of the EGM as proxy (the "**Proxy Form**") must be deposited with the registered office address of the REIT manager of Eagle Hospitality Real Estate Investment Trust and the trustee-manager of Eagle Hospitality Business Trust (the "**Managers**"), at 8 Marina Boulevard, #11-15/17 Marina Bay Financial Centre Tower 1, Singapore 018981 or sent by email to EGM.REG@eagleht.com, not less than seventy-two (72) hours before the time appointed for the EGM.
6. A Stapled Securityholder should insert the total number of Stapled Securities held. If the Stapled Securityholder has Stapled Securities entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of Stapled Securities. If the Stapled Securityholder has Stapled Securities registered in his/her name in the Register of Stapled Securityholders, he/she should insert that number of Stapled Securities. If the Stapled Securityholder has Stapled Securities entered against his/her name in the said Depository Register and registered in his/her name in the Register of Stapled Securityholders, he/she should insert the aggregate number of Stapled Securities. If no number is inserted, this form of proxy will be deemed to relate to all the Stapled Securities held by the Stapled Securityholder.
7. If the Stapled Securityholder is shown to not have any Stapled Securities entered against his name as at seventy-two (72) hours before the time fixed for the EGM, the Proxy Form will be rejected.
8. The Proxy Form must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
9. Where a Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer, the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must (failing previous registration with the Managers) be lodged with the Proxy Form; failing which the instrument may be treated as invalid.
10. The Managers shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form. In addition, in the case of Stapled Securities entered in the Depository Register, the Managers may reject a Proxy Form if the Stapled Securityholder, being the appointor, is not shown to have Stapled Securities entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by CDP to the Managers.
11. All Stapled Securityholders will be bound by the outcome of the EGM regardless of whether they have attended or voted at the EGM.
12. Personal data privacy: By submitting an instrument appointing the Chairman of the EGM as a proxy to vote at the EGM and/or any adjournment thereof, all Stapled Securityholders accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 8 December 2020.