30 December 2020

*This question and answer announcement should be read alongside the SGXNET announcement "Results of Extraordinary General Meeting held on 30 December 2020" by Eagle Hospitality Trust ("**EHT**") dated 30 December 2020 (the "**EGM Results Announcement**").*

Introduction

The EH-REIT Trustee commenced an exhaustive RFP process over the course of three months that explored all options available to EHT to protect the interests of the Stapled Securityholders. 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 and only actionable proposal acceptable to the lenders.

In the lead up to the Extraordinary General Meeting of EHT held on 30 December 2020 ("**EGM**"), the EH-REIT Trustee, alongside its financial advisers and the proposed New REIT Manager, had been engaging Stapled Securityholders through a series of focus group sessions, including a dialogue session organised together with the Securities Investors Association (Singapore) ("**SIAS**") to ensure that Stapled Securityholders fully understood the rationale of the resolutions proposed to be tabled at the EGM. This contributed to strong participation from Stapled Securityholders at the EGM, where 73.2% of Stapled Securityholders voted.

At the EGM convened at 2.00 p.m. on 30 December 2020, Resolutions 1 to 4 were put forth to Stapled Securityholders to appoint SCCPRE HRM as the new manager of EH-REIT. However, as Resolution 2 was not carried, and Resolutions 1, 3 and 4 are inter-conditional, SCCPRE HRM was not appointed as the manager of EH-REIT.

Given the EGM outcome, EHT does not have sufficient resources as a going concern and its options are limited given the present circumstance and challenges.

To help Stapled Securityholders address key questions with regards to the implications of the EGM outcome, please see below:

1. Many Stapled Securityholders were supportive of SC Capital. Why was the EGM outcome negative? Can we know the breakdown of votes?

- In the lead up to the EGM, the EH-REIT Trustee, alongside its financial advisers and the proposed new manager, had been engaging Stapled Securityholders through a series of focus group sessions, including a dialogue session organised together with SIAS to ensure that Stapled Securityholders fully understood the rationale of the resolutions proposed to be tabled at the EGM.
- We received strong participation from Stapled Securityholders, whereby 73.2% voted in this EGM. As the EH-REIT Trustee, we have analysed all votes and have heard the concerns and wishes of the majority of Stapled Securityholders who have indicated their desire to keep EHT afloat and for SC Capital to be given a chance to rehabilitate EHT.
- Resolutions 1, 3 and 4 tabled required a majority of more than 50% of those present and voting to vote in favour, in order for them to be carried. In the case of Resolution 2, which was an Extraordinary Resolution, it required a voting majority of at least 75% of those present and voting to vote in favour, in order for the Resolution to be carried.

- For Resolution 2 relating to base fee supplement to the EH-REIT Trust Deed, of the Stapled Securityholders who voted through nominee companies, 38% voted For, 34% voted Against and 28% Abstained. Of the Stapled Securityholders who voted directly, 96% voted For, 4% voted Against and 0.3% Abstained. This has resulted in 56.25% submitting For votes, which was insufficient to meet the 75% threshold for Resolution 2 to be carried.
- For Resolution 5 on the Termination Proposal, of the Stapled Securityholders who voted through the nominee companies, 10% voted For, 88% voted Against and 2% Abstained. Of the Stapled Securityholders who voted directly, 41% voted For, 53% voted Against and 6% Abstained. This has resulted in 11.61% submitting For votes, which was insufficient to meet the 75% threshold for Resolution 5 to be carried.

2. What happens to EHT now that the Resolutions for both the Proposed Change of Managers and Termination Proposal have failed? Are there any other alternative options and can EHT renegotiate another plan?

- Given the present circumstance and challenges, EHT does not have sufficient resources as a going concern and its options are limited. However, the EH-REIT Trustee will consider the available options for EHT with its advisers, under the current circumstances and update the Stapled Securityholders in due course.

3. The Sponsor continues to release public statements outlining plans for recapitalisation. Have these been considered?

- Please refer to EHT's Announcements dated 18 and 23 December 2020. In considering any options in the interests of Stapled Securityholders, the EH-REIT Trustee had provided the Sponsor with the opportunity to participate in the RFP Process commenced by the EH-REIT Trustee in July 2020.
- After giving proper and careful consideration to each comprehensive proposal received under the RFP Process, the EH-REIT Trustee (based on the recommendation of its professional advisers) identified SC Capital to have put forth the most credible proposal and only actionable proposal acceptable to the major lenders of EHT.
- SC Capital was eventually identified as the selected party pursuant to the RFP Process due to, amongst other things, their strong track record of turning around REITs, their ability to raise funds in a less dilutive manner and receptiveness of EHT's major lenders to engaging in discussions with respect to the proposal that SCCPRE HRM will be appointed as the new manager of EH-REIT.
- Specific to the Sponsor's plans, as disclosed on SGXNET, the plans outlined by the Sponsor continue to contain numerous uncertainties with regard to the practicability of their plans which include the non-acceptance of the appeal against the EH-REIT Manager Removal Direction issued by the MAS and the absence of essential information on the resolutions proposed by three Stapled Securityholders purportedly beneficially-owned by the owners of the Sponsor (e.g. structure and terms of the proposed rights issue, and whether the rights issue will be underwritten).

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

Investor Relations

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

As set out in the EGM Results Announcement, the incumbent REIT Manager (Eagle Hospitality REIT Management Pte. Ltd.) will be removed as the manager of EH-REIT with effect from the conclusion of the EGM. Accordingly, the Directors of the Managers do not accept any responsibility for the accuracy of the information given in this question and answer announcement.

Issued by:

DBS Trustee Limited
(Company Registration No.: 197502043G)
as trustee of Eagle Hospitality Real Estate Investment Trust