EAGLE HOSPITALITY TRUST

A U.S. hospitality specialist with an invested sponsor and a portfolio of full service hotels in the top U.S. markets

Distribution Yield (annualised)

8.2%

Forecast Period 2019[1]

HILTON ATLANTA NORTHEAST

THE WESTIN SACRAMENTO

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.

Offering of 580,558,000 Stapled Securities (Subject to the Over-Allotment Option (as defined herein)) Offering Price: US$0.78 Per Stapled Security

PROSPECTUS DATED 16 MAY 2019
(Registered with the Monetary Authority of Singapore on 16 May 2019)

This document is important. Before making any investment in the securities being offered, you should consider the information provided in this document carefully, and consider whether you understand what is described in this document. You should also consider whether an investment in the securities being offered is suitable for you, taking into account your investment objectives and risk appetite. If you are in any doubt as to the action that you should take, you should consult your legal, financial, tax or other professional adviser. You are responsible for your own investment choices.

Eagle Hospitality REIT Management Pte. Ltd., as manager (the "**REIT Manager**") of Eagle Hospitality Real Estate Investment Trust ("**EH-REIT**") and Eagle Hospitality Business Trust Management Pte. Ltd., as trustee-manager (the "**Trustee-Manager**") of Eagle Hospitality Business Trust ("**EH-BT**") are making an offering (the "**Offering**") of 580,558,000 stapled securities in Eagle Hospitality Trust ("**EHT**", and the stapled securities in EHT, the "**Stapled Securities**"), which is a hospitality stapled group comprising EH-REIT and EH-BT. Each Stapled Security comprises a unit in EH-REIT ("**EH-REIT Unit**") and a unit in EH-BT ("**EH-BT Unit**"). The Offering consists of (i) an international placement of 535,687,000 Stapled Securities to investors, including institutional and other investors in Singapore (the "**Placement Tranche**") and (ii) an offering of 44,871,000 Stapled Securities to the public in Singapore (the "**Public Offer**"). The issue price of each Stapled Security under the Offering is US$0.78 per Stapled Security (the "**Offering Price**"). Investors subscribing for Stapled Securities under the Public Offer will pay the Offering Price in Singapore dollars (such amount being S$1.071, based on the exchange rate of US$1.00 to approximately S$1.3731, as determined by the Managers (as defined herein)). The sole financial adviser and issue manager for the Offering is DBS Bank Ltd. (the "**Sole Financial Adviser and Issue Manager**"). DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd., UBS AG, Singapore Branch and BNP Paribas, acting through its Singapore branch are the joint global coordinators for the Offering (the "**Joint Global Coordinators**"). DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd., UBS AG, Singapore Branch, BNP Paribas, acting through its Singapore branch, Deutsche Bank AG, Singapore Branch and Jefferies Singapore Limited are the joint bookrunners and underwriters for the Offering (collectively, the "**Joint Bookrunners and Underwriters**" or the "**Joint Bookrunners**") The Offering is fully underwritten at the Offering Price by the Joint Bookrunners on the terms and subject to the conditions of the Underwriting Agreement (as defined herein).

The total number of Stapled Securities in issue as at the date of this Prospectus is two Stapled Securities (the "**Sponsor Initial Stapled Securities**"). The total number of outstanding Stapled Securities immediately after the completion of the Offering will be 867,888,000 Stapled Securities.

Concurrently with, but separate from the Offering, the vendors of the USHI Portfolio (as defined herein) and the ASAP6 Portfolio (as defined herein), will receive 142,459,998 Stapled Securities in satisfaction of the purchase consideration for the USHI Portfolio and the ASAP6 Portfolio ("**Consideration Stapled Securities**") and will direct the Consideration Stapled Securities to be issued as follows: (i) 37,500,000 Consideration Stapled Securities to be issued to Fortress Empire Group Ltd ("**SPV1**"), (ii) 1,886,000 Consideration Stapled Securities to be issued to Vertical Gain Investments Inc ("**SPV2**"), (iii) 26,715,999 Consideration Stapled Securities to be issued to Dragonbay Fortune Inc ("**SPV3**", which together with SPV1 and SPV2, are entities wholly owned by one of the Founders (as defined herein)), (iv) 66,101,999 Consideration Stapled Securities to be issued to Regal Empire Ventures Ltd ("**SPV4**", which is wholly owned by one of the Founders) and (v) 10,256,000 Consideration Stapled Securities to be issued to Empress Star Ventures Inc (the "**SPV5**"), which is wholly owned by the Executive Director and Chief Executive Officer and President of the REIT Manager and the Trustee-Manager (collectively, the "**Managers**"). Urban Commons, LLC (the "**Sponsor**") is the sponsor of EHT and is indirectly wholly owned by each of the Founders in the proportion 50:50.

In addition, concurrently with, but separate from the Offering, each of the Cornerstone Investors (as defined herein) has entered into a subscription agreement to subscribe for an aggregate of 144,870,000 Stapled Securities (the "**Cornerstone Stapled Securities**") at the Offering Price conditional upon the Underwriting Agreement having been entered into, and not having been terminated, pursuant to its terms on or prior to the Settlement Date.

Prior to the Offering, there has been no market for the Stapled Securities. The offer of Stapled Securities under this Prospectus will be by way of an initial public offering in Singapore. An application has been made to Singapore Exchange Securities Trading Limited ("**SGX-ST**") for permission to list on the Main Board of the SGX-ST (i) all the Stapled Securities comprised in the Offering, (ii) the Sponsor Initial Stapled Securities and the Consideration Stapled Securities (collectively, the "**Sponsor Stapled Securities**"); (iii) the Cornerstone Stapled Securities and (iv) all the Stapled Securities which may be issued to the REIT Manager or the Trustee-Manager from time to time in full or in part payment of fees payable to the REIT Manager or the Trustee-Manager. Such permission will be granted when EHT has been admitted to the Official List of the SGX-ST (the "**Listing Date**"). Acceptance of applications for the Stapled Securities will be conditional upon issue of the Stapled Securities and upon permission being granted to list the Stapled Securities. In the event that such permission is not granted or if the Offering is not completed for any other reason, application monies will be returned in full, at each investor's own risk, without interest or any share of revenue or other benefit arising therefrom, and without any right or claim against any of EHT, EH-REIT, EH-BT, the REIT Manager, DBS Trustee Limited, as trustee of EH-REIT (the "**REIT Trustee**"), the Trustee-Manager, the Sponsor, the Joint Global Coordinators or the Joint Bookrunners.

EHT has received a letter of eligibility from the SGX-ST for the listing and quotation of (i) up to 950,000,000 Stapled Securities and (ii) the Stapled Securities to be issued to the REIT Manager or the Trustee-Manager from time to time in full or part payment of fees payable to the REIT Manager or the Trustee-Manager. EHT's eligibility to list on the Main Board of the SGX-ST does not indicate the merits of the Offering, EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators, the Joint Bookrunners or the Stapled Securities. The SGX-ST assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager or the Stapled Securities.

EH-REIT is a scheme pending authorisation under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). EH-BT is a business trust pending registration under the Business Trusts Act, Chapter 31A of Singapore (the "BTA"). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "Authority" or "MAS") on 25 April 2019 and 16 May 2019 respectively. The MAS assumes no responsibility for the contents of this Prospectus. Lodgement with, or registration by, the MAS of this Prospectus does not imply that the SFA, the BTA or any other legal or regulatory requirement has been complied with. The MAS has not, in any way, considered the investment merits of the EH-REIT Units, the EH-BT Units and the Stapled Securities, being offered for investment. This Prospectus will expire on 15 November 2019 (6 months after the date of the registration of this Prospectus).

No Stapled Security shall be allotted or allocated on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the MAS.

See "Risk Factors" commencing on page 72 of this Prospectus for a discussion of certain factors to be considered in connection with an investment in the Stapled Securities. None of EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators or the Joint Bookrunners guarantees the performance of EHT, the repayment of capital or the payment of a particular return on the Stapled Securities.

Investors applying for the Stapled Securities by way of Application Forms or Electronic Applications (both as referred to in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Stapled Securities in Singapore") will pay the Offering Price per Stapled Security on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom), where (i) an application is rejected or accepted in part only, or (ii) the Offering does not proceed for any reason.

In connection with the Offering, the Joint Bookrunners have been granted an over-allotment option (the "**Over-Allotment Option**") by SPV1, a company incorporated in the British Virgin Islands (the "**Stapled Security Lender**"), exercisable by DBS Bank Ltd. (the "**Stabilising Manager**") (or any of its affiliates or persons acting on its behalf), in consultation with the other Joint Bookrunners, in full or in part, on one or more occasions, to acquire from the Stapled Security Lender up to an aggregate of 37,500,000 Stapled Securities at the Offering Price, representing not more than 6.5% of the total number of Stapled Securities in the Offering solely to cover the over-allotment of Stapled Securities (if any) made in connection with the Offering. The Over-Allotment Option is exercisable from the Listing Date but no later than the earlier of (i) the date falling 30 days from the Listing Date; or (ii) the date when the Stabilising Manager (or its affiliates or other persons acting on its behalf) has bought, on the SGX-ST, an aggregate of 37,500,000 Stapled Securities, representing not more than 6.5% of the total number of Stapled Securities in the Offering, to undertake stabilising actions to purchase up to an aggregate of 37,500,000 Stapled Securities (representing not more than 6.5% of the total number of Stapled Securities in the Offering), at the Offering Price. The exercise of the Over-Allotment Option will not increase the total number of Stapled Securities outstanding. In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on its behalf) may, in consultation with the other Joint Bookrunners and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Stapled Securities at levels that might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on its behalf) will undertake stabilising action. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations.

Nothing in this Prospectus constitutes an offer for securities for sale in the United States or any other jurisdiction where it is unlawful to do so. The Stapled Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and, subject to certain exceptions, may not be offered or sold within the United States (as defined in Regulation S under the Securities Act ("**Regulation S**")). The Stapled Securities are being offered and sold outside the United States in reliance on Regulation S.

[1](a) Based on the Offering Price of US$0.78, together with the accompanying assumptions found in the Prospectus. Such yields will vary accordingly for investors who purchase the Stapled Securities in the secondary market at a market price different from the Offering Price
(b) The period from 1 May 2019 to 31 December 2019

Sole Financial Adviser and Issue Manager

DBS

Joint Global Coordinators, Joint Bookrunners and Underwriters

DBS Bank of America Merrill Lynch UBS BNP PARIBAS

Joint Bookrunners and Underwriters

Deutsche Bank Jefferies

EAGLE HOSPITALITY TRUST

Eagle Hospitality Trust ("**EHT**") is a hospitality stapled group comprising Eagle Hospitality Real Estate Investment Trust ("**EH-REIT**") and Eagle Hospitality Business Trust ("**EH-BT**"). EH-REIT is 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 ("**U.S.**").

PORTFOLIO HIGHLIGHTS

18 Hotels	US$1.27b Valuation[2]	17 out of 18 assets Freehold

- **Large, high-growth markets:** 57.1%[3] of rooms in Top 10 MSAs[4]; 94.7%[3] of rooms in Top 30 MSAs[4]
- **International brands:** 93.6%[3] of rooms branded by Top 3 largest global hotel franchisors
- **Well-invested:** US$174 million of capital expenditure spent on the Initial Portfolio since 2013
- **Identified growth:** Ramp-up from having refurbished 77.2%[2] of Initial Portfolio since 2018

THE SPONSOR

The Sponsor of EHT is Urban Commons, LLC, a privately-held real estate investment and development firm which managed the USHI Portfolio[5] and is active across a range of property types with an emphasis on hotels. Founded in 2008 and headquartered in Los Angeles, U.S., the Sponsor has a highly experienced and dedicated team of staff responsible for its business activities, including acquisitions, development, finance, accounting, and asset management. The Sponsor aims to deliver strong risk-adjusted returns using a value-add investment strategy in top-tier U.S. MSAs.

Since inception, the Sponsor has completed 38 real estate acquisition and divestment transactions. As at 31 December 2018, the Sponsor has total assets under management of approximately more than US$1.0 billion, including 14 hospitality assets, of which 12 represent the USHI Portfolio.

The Sponsor manages and/or owns 12 properties under various stages of entitlement and development, spanning hospitality, multifamily, retail, and assisted living. The current estimated value of these developments, subject to final development plans and date of completion, is in excess of US$800 million upon completion.

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[2] Based on the adopted value of each of the Properties, which is the independent valuation by HVS (as at 31 December 2018) ("**Adopted Value**")
[3] Based on the number of rooms in the Initial Portfolio
[4] Based on metropolitan statistical areas ("**MSAs**"); ranking based on 2017 GDP. There are 383 MSAs in U.S.
[5] Properties comprising the USHI Portfolio are (i) Sheraton Pasadena, (ii) Holiday Inn Hotel & Suites Anaheim, (iii) Embassy Suites by Hilton Anaheim North, (iv) Holiday Inn Hotel & Suites San Mateo, (v) Four Points by Sheraton San Jose Airport, (vi) The Westin Sacramento, (vii) Embassy Suites by Hilton Palm Desert, (viii) The Queen Mary Long Beach, (ix) Renaissance Denver Stapleton, (x) Holiday Inn Denver East – Stapleton, (xi) Holiday Inn Resort Orlando Suites - Waterpark and (xii) Crowne Plaza Danbury

RENAISSANCE DENVER STAPLETON

HILTON HOUSTON GALLERIA AREA

KEY INVESTMENT HIGHLIGHTS

MACRO & INDUSTRY

1 STRONG U.S. MACROECONOMIC FUNDAMENTALS

- Fastest growing G7 economy by Gross Domestic Product (2012-2017 and 2017-2022 forecast); large, diversified and stable

2 FAVOURABLE HOSPITALITY DEMAND/SUPPLY DYNAMICS

- Robust corporate demand – favourable business environment, earnings growth continuing
- Robust leisure demand – consumer confidence near decade-highs, unemployment at decade-lows
- Forecast room supply growth of 1.9% p.a. from 2018 – 2022 vs. 2.3% p.a. average in the last two decades[6]

PORTFOLIO QUALITY

3 LARGE, HIGH-GROWTH MARKETS

- 57.1%[7] in the Top 10 MSAs[8] and 94.7%[7] in the Top 30 MSAs[8] (out of 383 MSAs in the U.S.[8])

4 WELL-INVESTED, PRIMARILY FREEHOLD, INTERNATIONALLY BRANDED HOTELS

- US$174 million of capex spent on the Initial Portfolio since 2013
- 17 out of 18 assets are freehold and branded by the 3 largest global hotel franchisors

GROWTH & STABILITY

5 IDENTIFIED GROWTH DRIVERS

- Ramp-up from having refurbished 77.2%[9] of Initial Portfolio since 2018
- US$18.6 million identified further asset enhancements
- Accretive acquisition opportunities – pipeline assets and sourcing capabilities

6 WELL-STRUCTURED FOR STABILITY AND GROWTH

- Master lease structure with Fixed Rent accounting for 66.0% of rental income[10]

COMMITTED SPONSOR

7 STRONG ALIGNMENT OF INTEREST BETWEEN SPONSOR AND STAPLED SECURITYHOLDERS

- Founders to collectively own 15.2% stake in EHT[11], by rolling forward 100% of their common equity in the USHI Portfolio[12]

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6 On a normalised basis, excluding the periods following the September 11th terror attacks and Global Financial Crisis, assuming approximately three-year lag time between key events and slowing supply growth due to construction time
7 Based on the number of rooms
8 Based on metropolitan statistical areas ("**MSAs**"); ranking based on 2017 GDP
9 Based on Adopted Valuation
10 Based on Projection Year 2020
11 Based on percentage ownership in the Stapled Securities of EHT, immediately following the completion of the Offering, assuming the Over-Allotment Option is not exercised
12 Assuming that the Over-Allotment Option is not exercised. The Over-Allotment Option is granted by the Stapled Security Lender, which is wholly owned by Howard Wu. See "Plan of Distribution – Over-Allotment and Stabilisation" for more details

SHERATON DENVER TECH CENTER

SHERATON PASADENA

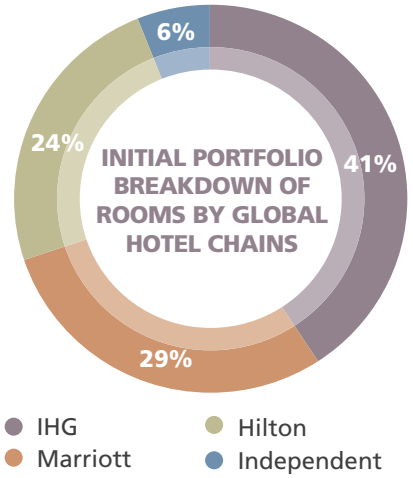
WELL-INVESTED HOTELS

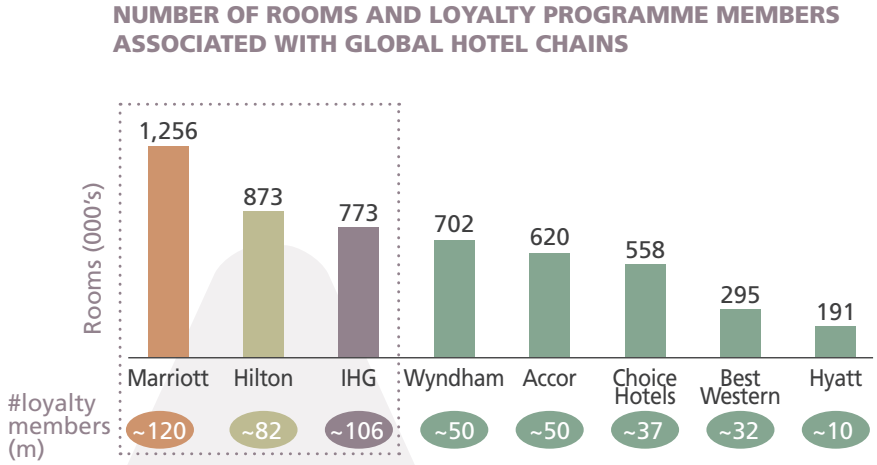
The Initial Portfolio is categorised based on the primary demand generator at each Property, namely (1) Corporate-led hotels, (2) Leisure-led hotels and (3) Airport hotels. Most of the Properties also have multiple secondary demand drivers, which provide income diversity and stability.

		Hotel	Market Segment	Land Tenure	Number of Hotel rooms	Adopted Valuation (US$'m)	Completion Date of Last Renovation	Capital Expenditure Spent Since 2013 (US$'m)
CORPORATE	1	Sheraton Pasadena	Upper Upscale	Freehold	311	114.2	Expected May 2019	16.8
	2	Sheraton Denver Tech Center	Upper Upscale	Freehold	263	31.7	Dec 2013	3.6
	3	Holiday Inn Denver East - Stapleton	Upper Midscale	Freehold	298	50.6	Sep 2018	10.9
	4	Renaissance Denver Stapleton	Upper Upscale	Freehold	400	88.2	Sep 2018	16.8
	5	Crowne Plaza Dallas Near Galleria-Addison	Upscale	Freehold	428	57.8	Mar 2019	3.5
	6	Hilton Houston Galleria Area	Upper Upscale	Freehold	292	48.6	Expected May 2019	9.7
	7	Hilton Atlanta Northeast	Upper Upscale	Freehold	271	55.4	Dec 2018	13.0
	8	Renaissance Woodbridge	Upper Upscale	Freehold	312	76.6	Expected May 2019	6.3
LEISURE	9	The Westin Sacramento	Upper Upscale	Freehold	101	43.6	Dec 2015	2.7
	10	The Queen Mary Long Beach	Upscale	66 Years Leasehold from 1 Nov 2016	347	159.4	Dec 2018	23.5
	11	Embassy Suites by Hilton Anaheim North	Upper Upscale	Freehold	223	50.8	Nov 2018	9.3
	12	Holiday Inn Hotel & Suites Anaheim	Upper Midscale	Freehold	255	77.9	Apr 2017	1.8
	13	Embassy Suites by Hilton Palm Desert	Upper Upscale	Freehold	198	32.1	Feb 2018	9.0
	14	Holiday Inn Resort Orlando Suites - Waterpark	Upper Midscale	Freehold	777	162.8	Aug 2018	27.5
	15	Crowne Plaza Danbury	Upscale	Freehold	242	12.0	Dec 2018	0.3
AIRPORTS	16	Holiday Inn Hotel & Suites San Mateo	Upper Midscale	Freehold	219	76.5	Jun 2018	5.6
	17	Four Points by Sheraton San Jose Airport	Upscale	Freehold	195	69.1	Mar 2016	6.3
	18	Doubletree by Hilton Salt Lake City Airport	Upscale	Freehold	288	60.9	Expected May 2019	7.6

THE QUEEN MARY LONG BEACH

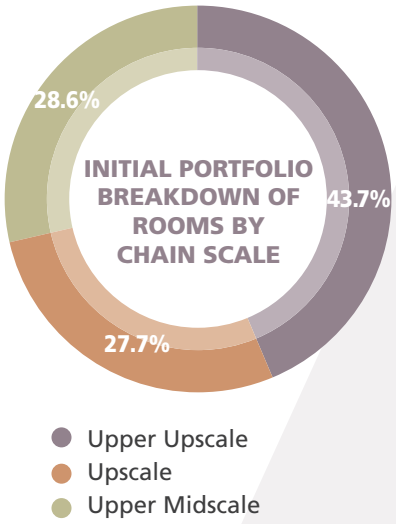
INTERNATIONALLY-BRANDED HOTELS WITH LARGEST LOYALTY PROGRAMMES

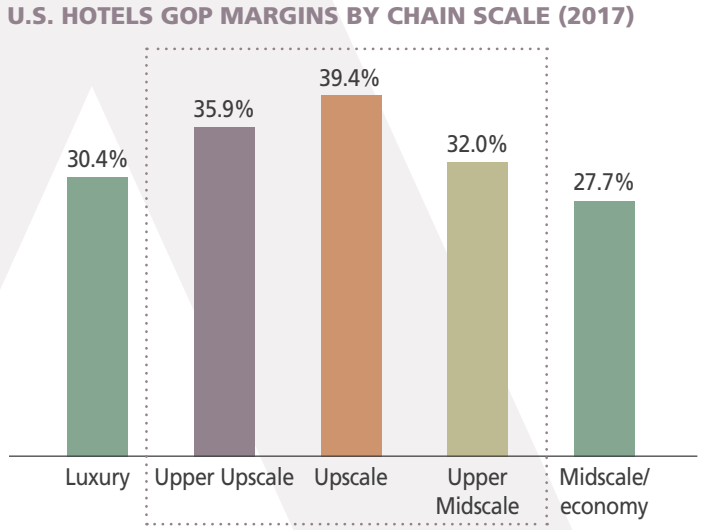




Source: Independent Market Research Consultant

TARGETED EXPOSURE TO UPPER MIDSCALE TO UPPER UPSCALE FULL SERVICE HOTELS





Source: Independent Market Research Consultant

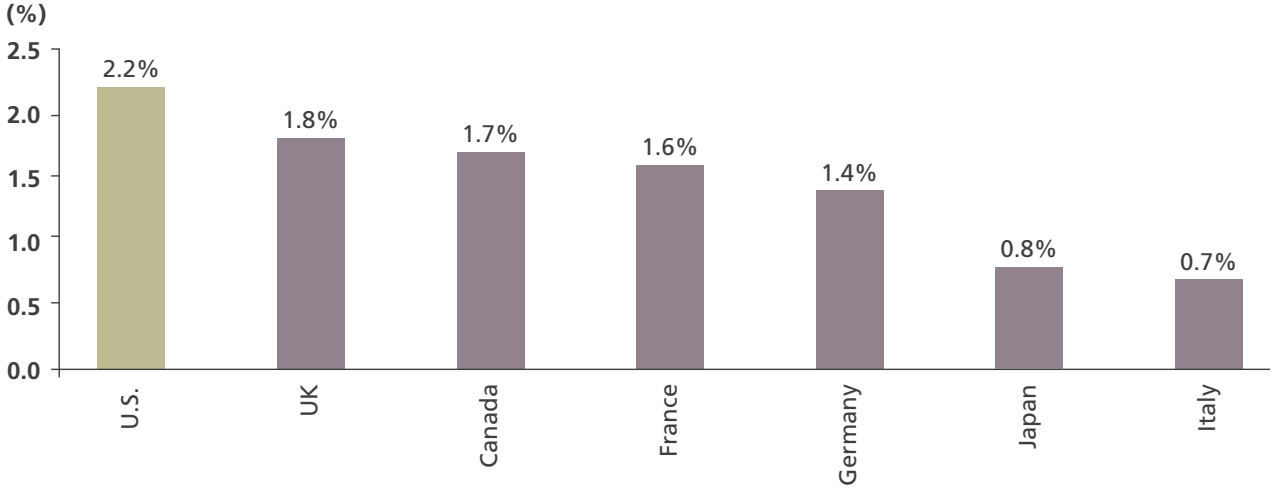
EMBASSY SUITES BY HILTON ANAHEIM NORTH

EMBASSY SUITES BY HILTON PALM DESERT

WELL POSITIONED TO BENEFIT FROM STRONG U.S. MACROECONOMIC FUNDAMENTALS

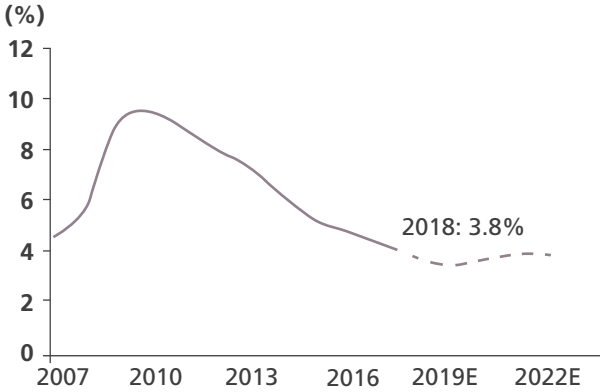
The outperformance of the U.S. economy against the G7 developed economies is expected to continue over the next five years

PROJECTED REAL GDP GROWTH PER ANNUM (2017 – 2022)



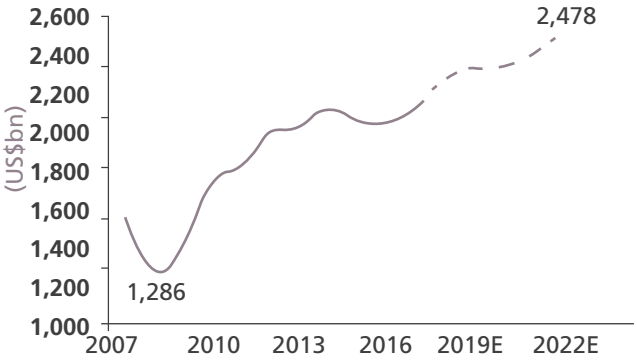
Low Employment and Steady Job Growth

U.S. UNEMPLOYMENT RATE



Earnings Growth Expected to Continue

CORPORATE EARNINGS GROWTH (US$ BILLION)



Source: Independent Market Research Consultant

CROWNE PLAZA DANBURY

PORTFOLIO FOCUSED IN LARGE METROPOLITAN AREAS

Legend: ● Corporate ● Leisure ● Airport

CA - California	**TX** - Texas	**NY** - New York
UT - Utah	**GA** - Georgia	**CT** - Connecticut
CO - Colorado	**FL** - Florida	**NJ** - New Jersey

Sacramento
- The Westin Sacramento

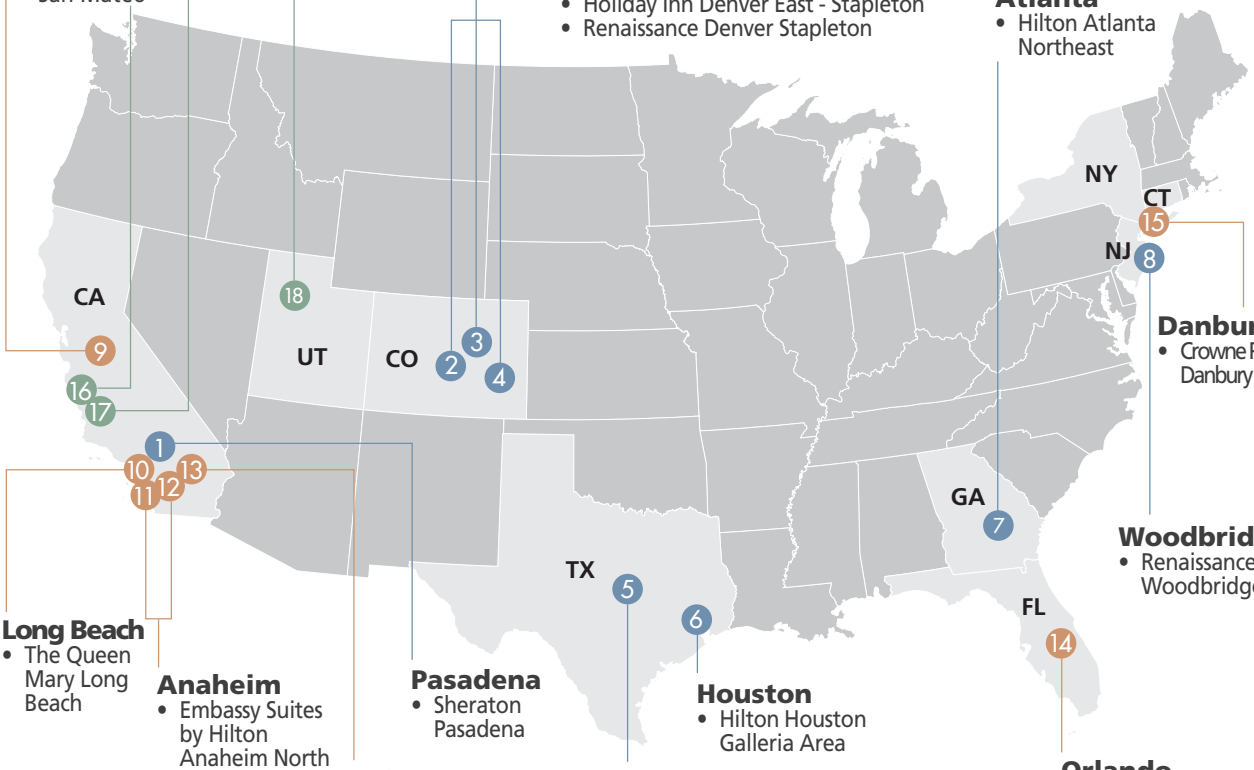
San Mateo
- Holiday Inn Hotel & Suites San Mateo

San Jose
- Four Points by Sheraton San Jose Airport

Salt Lake City
- Doubletree by Hilton Salt Lake City Airport

Denver
- Sheraton Denver Tech Center
- Holiday Inn Denver East - Stapleton
- Renaissance Denver Stapleton

Atlanta
- Hilton Atlanta Northeast



Danbury
- Crowne Plaza Danbury

Woodbridge
- Renaissance Woodbridge

Long Beach
- The Queen Mary Long Beach

Anaheim
- Embassy Suites by Hilton Anaheim North
- Holiday Inn Hotel & Suites Anaheim

Pasadena
- Sheraton Pasadena

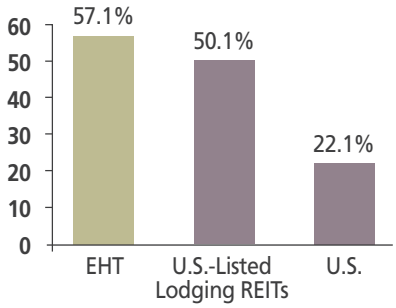
Palm Desert
- Embassy Suites by Hilton Palm Desert

Houston
- Hilton Houston Galleria Area

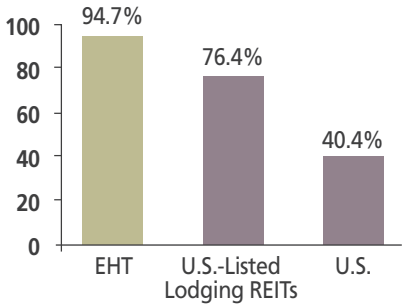
Dallas
- Crowne Plaza Dallas Near Galleria - Addison

Orlando
- Holiday Inn Resort Orlando Suites – Waterpark

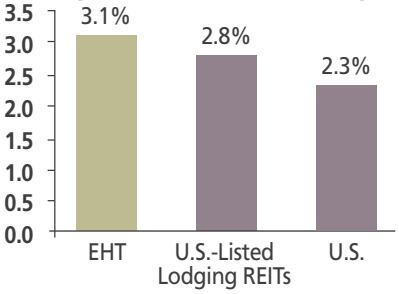
% OF ROOMS IN TOP 10 MSAs[4]



% OF ROOMS IN TOP 30 MSAs[4]



WEIGHTED AVERAGE REAL GDP GROWTH PER ANNUM (2017 – 2022 FORECAST)



Source: Independent Market Research Consultant

CROWNE PLAZA DALLAS NEAR GALLERIA-ADDISON

FOUR POINTS BY SHERATON SAN JOSE AIRPORT

KEY STRATEGIES OF THE REIT MANAGER

PROACTIVE ASSET MANAGEMENT AND ASSET ENHANCEMENT

- Optimise cash flow and value of the Properties by working with the master lessees and hotel managers to implement pro-active measures to enhance the properties of EHT and improve their operational performance
- Improve overall occupancy rates and average RevPAR, as well as create a better lodging experience for its clientele through active management

INVESTMENTS AND ACQUISITION GROWTH

- Source suitable asset acquisition opportunities that will provide attractive cash flows and yields, which satisfy the REIT Manager's investment mandate, for EHT to enhance returns to Stapled Securityholders and to capture opportunities for future income and capital growth

CAPITAL MANAGEMENT

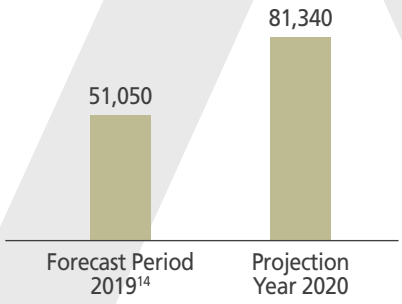
- Employ an appropriate combination of debt and equity to fund acquisitions and asset enhancements
- Adopt a prudent approach to capital management to optimise risk-adjusted returns to Stapled Securityholders

DOUBLETREE BY HILTON SALT LAKE CITY AIRPORT

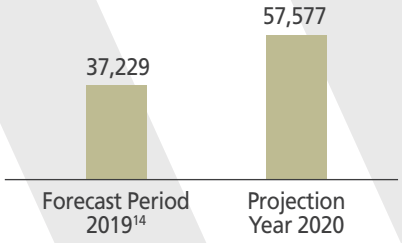
HOLIDAY INN RESORT ORLANDO SUITES – WATERPARK

KEY FINANCIAL HIGHLIGHTS

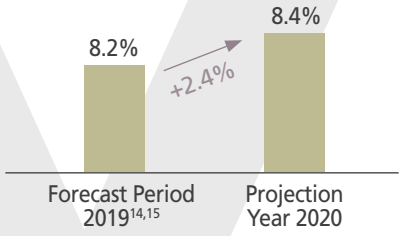
NET PROPERTY INCOME
(US$'000)



DISTRIBUTABLE INCOME
(US$'000)



FORECAST AND PROJECTED DISTRIBUTION YIELDS[13]



[13] Based on the Offering Price of US$0.78, together with the accompanying assumptions found in the Prospectus. Such yields and yield growth will vary accordingly for investors who purchase the Stapled Securities in the secondary market at a market price different from the Offering Price

[14] Based on an eight-month forecast period from 1 May 2019 to 31 December 2019

[15] Annualised

IPO TIMETABLE

Opening date and time for the public offer	16 May 2019, 9pm
Closing date and time for the public offer	22 May 2019, 12 Noon
Commence trading of Stapled Securities on the SGX-ST	24 May 2019, 2pm

HOW TO APPLY

APPLICATION FOR THE PUBLIC OFFER MAY BE MADE THROUGH:

- ATMs and internet banking websites of DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited
- Mobile banking interface of DBS Bank Ltd.
- Printed WHITE Public Offer Stapled Securities Application Form, which forms part of this Prospectus

US TAXATION

In addition to the Portfolio Interest Exemption Limit, Stapled Securityholders must comply with certain documentation requirements in order to be exempted from withholding tax under the United States Internal Revenue Code of 1986, as amended (the "IRC"), including under the United States Foreign Account Tax Compliance Act ("FATCA").

Please refer to the section "Important Notice Regarding the Ownership of the Stapled Securities" on page v of the Prospectus for more information and Appendix I on page I-1 of the Prospectus for the submission procedures for the relevant U.S. Tax Forms.

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NOTICE TO INVESTORS

No person is authorised to give any information or to make any representation in connection with the Offering not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators or the Joint Bookrunners. If anyone provides you with different or inconsistent information, you should not rely on it. Neither the delivery of this Prospectus nor any offer, subscription, placement, purchase, sale or transfer made hereunder shall under any circumstances imply that the information contained herein is correct as at any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in the business, affairs, conditions and prospects of the Stapled Securities, EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager or the Sponsor since the date on the cover of this Prospectus. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, the REIT Manager and/or the Trustee-Manager will make an announcement of the same to the SGX-ST and, if required, issue and lodge an amendment to this Prospectus or a supplementary document or replacement document pursuant to Section 240 and Section 296 or, as the case may be, Section 241 and Section 298 of the SFA and take immediate steps to comply with these sections. Investors should take notice of such announcements and documents and upon release of such announcements and documents shall be deemed to have notice of such changes.

For the avoidance of doubt, only EH-REIT is subject to compliance with Appendix 6 of the Code on Collective Investment Schemes (the "**CIS Code**", and Appendix 6 of the CIS Code, the "**Property Funds Appendix**"). EH-BT is not subject to compliance with the Property Funds Appendix.

None of EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators, the Joint Bookrunners or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers is making any representation or undertaking to any prospective purchaser or subscriber of the Stapled Securities regarding the legality of an investment by such purchaser or subscriber of the Stapled Securities under appropriate legal, investment or similar laws.

In addition, this Prospectus is issued solely for the purpose of the Offering and prospective investors in the Stapled Securities should not construe the contents of this Prospectus as legal, business, financial or tax advice. In making an investment decision, prospective investors must rely upon their own examination of EHT, EH-REIT and EH-BT and the terms of this Prospectus, including the risks involved. Prospective investors should be aware that they are required to bear the financial risks and other risks of an investment in the Stapled Securities, and may be required to do so for an indefinite period of time. Prospective investors should consult their own professional advisers as to the legal, tax, business, financial and related aspects of an investment in the Stapled Securities.

Copies of this Prospectus and the Application Forms may be obtained on request, subject to availability, during office hours, from:

DBS Bank Ltd.	Merrill Lynch (Singapore) Pte. Ltd.	UBS AG, Singapore Branch	BNP Paribas, acting through its Singapore branch	Deutsche Bank AG, Singapore Branch	Jefferies Singapore Limited
12 Marina Boulevard Level 3 Marina Bay Financial Centre Tower 3 Singapore 018982	50 Collyer Quay #14-01 OUE Bayfront Singapore 049321	One Raffles Quay #50-01 North Tower Singapore 048583	20 Collyer Quay #01-01 Singapore 049319	One Raffles Quay #16-00 South Tower Singapore 048583	80 Raffles Place #15-20 UOB Plaza 2 Singapore 048624

and, where applicable, from certain members of the Association of Banks in Singapore, members of the SGX-ST as well as merchant banks in Singapore. A copy of this Prospectus is also available on the SGX-ST website: http://www.sgx.com.

The Stapled Securities have not been and will not be registered under the Securities Act and, accordingly, may not be offered or sold within the United States except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. The Stapled Securities are being offered and sold in offshore transactions as defined and in reliance on Regulation S.

The EH-REIT Units and EH-BT Units are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The distribution of this Prospectus and the offering, subscription, placement, purchase, sale or transfer of the Stapled Securities in certain jurisdictions may be restricted by law. EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators and the Joint Bookrunners require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and without liability to any of EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators and the Joint Bookrunners. This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any of the Stapled Securities in any jurisdiction in which such offer or invitation would be unlawful. Prospective investors are authorised to use this Prospectus solely for the purpose of considering the subscription for the Stapled Securities in the Offering. For a description of certain restrictions on the offer, transfer and sale of the Stapled Securities, see "Plan of Distribution – Distribution and Selling Restrictions". Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur. No one has taken any action that would permit a public offering to occur in any jurisdiction other than Singapore.

In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the Joint Bookrunners and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Stapled Securities at levels that might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. (See "Plan of Distribution – Over-Allotment and Stabilisation" for further details.)

IMPORTANT NOTICE REGARDING THE OWNERSHIP OF STAPLED SECURITIES

Distributions will be reduced for Stapled Securityholders who are non-U.S. persons who own 10% or more interest in the Stapled Securities

Stapled securityholders of EHT (the "**Stapled Securityholders**") who are non-U.S. persons are not entitled to claim the portfolio interest exemption, which is an exemption from 30% US withholding tax attributable to such Stapled Securityholder's distributive share of the interest payments from US Corp (as defined herein) to Cayman Corp 1 (as defined herein) pursuant to intercompany loans from Cayman Corp 1 to US Corp ("**Portfolio Interest Exemption**"), if (i) such Stapled Securityholder directly or indirectly owns (including constructive ownership, as described below) 10% or more of the outstanding Stapled Securities (the "**Portfolio Interest Exemption Limit**") and/or (ii) such Stapled Securityholder does not meet certain documentation requirements as set out below.

Any non-U.S. person who wishes to hold an interest in EHT greater than the Portfolio Interest Exemption Limit may do so but will be subject to 30% US withholding tax on their distributive share of the interest payments from US Corp to Cayman Corp 1. This tax will be remitted by EH-REIT on their behalf and will accordingly reduce the distributions from the REIT to which such persons would otherwise be entitled.

The Managers and the REIT Trustee propose to adopt the following procedures to monitor compliance with the Portfolio Interest Exemption Limit:

- **Identification of Substantial Stapled Securityholders:** The Managers and the REIT Trustee intend to rely on the existing disclosure regime under the SFA to identify Stapled Securityholders who may be at risk of exceeding the Portfolio Interest Exemption Limit. Pursuant to Section 137J and Section 137U of the SFA, a Stapled Securityholder:

  (i) that becomes or ceases to become a Substantial Stapled Securityholder of EHT; and

  (ii) that is a Substantial Stapled Securityholder, and is made aware of a change in the percentage level of its interest or interests in EHT,

  is under a duty to notify the REIT Trustee and the Managers of the nature and extent of its interest in EHT. Further, pursuant to Section 137M and Section 137X of the SFA, the Trustee-Manager and the REIT Trustee has the power, *inter alia*, to require a Stapled Securityholder to specify whether it holds the Stapled Securities as a beneficial owner or trustee and to indicate, as far as it can, the persons for whom it holds the interest and the nature of their interest.

- **Notice to Substantial Stapled Securityholders:** The Managers will send a notice to a Substantial Stapled Securityholder who has notified EHT pursuant to the SFA disclosure regime informing the Substantial Stapled Securityholder of the Portfolio Interest Exemption Limit and the consequences of exceeding the Portfolio Interest Exemption Limit and may request additional information regarding such Substantial Stapled Securityholder's indirect ownership of Stapled Securities. Substantial Stapled Securityholders are advised to manage their interests in the Stapled Securities so as not to breach the Portfolio Interest Exemption Limit. On a fortnightly basis, the Managers also intend to review EHT's Register of Holders and Depository Register to identify any Stapled Securityholders who may own Stapled Securities in excess of the Portfolio Interest Exemption Limit. Where the aggregate holdings of a depository agent approaches 10% of the outstanding Stapled Securities, the Managers intend to send a request to the depository agent to (a) provide details of the holdings of its beneficial owners and (b) notify the Managers if any of its beneficial owners holds an interest

in 10% or more of the outstanding Stapled Securities. Any person who acquires or attempts or intends to acquire direct or indirect ownership of Stapled Securities that will or may violate the Portfolio Interest Exemption Limit must give immediate written notice to the Managers at least 15 days prior to a proposed or intended acquisition or, if later, immediately after becoming aware of the acquisition or proposed acquisition. Such person may be requested to provide such other information as may be requested by the Managers in order to determine the effect of such acquisition or proposed acquisition on whether such person can claim the Portfolio Interest Exemption.

Investors should note that the above procedures which make use of the determination of interests pursuant to the SFA disclosure regime will be used by the Managers and the REIT Trustee to monitor compliance with the Portfolio Interest Exemption Limit only, but the Portfolio Interest Exemption Limit is computed pursuant to the rules of the United States Internal Revenue Code of 1986, as amended (the "**IRC**") which includes rules relating to Constructive Ownership (through the application of Section 318(a) of the IRC, as modified by Section 871(h)(3)(C) of the IRC) which could be different from interests in Stapled Securities as determined pursuant to the SFA. Stapled Securityholders should consult their own legal and tax advisers regarding the application of the rules of the IRC in relation to their ability to claim the Portfolio Interest Exemption.

Distributions will be reduced if a Stapled Securityholder does not submit required U.S. tax forms and documentation (See also Appendix I, "Procedures for the Submission of US Tax Forms" for further details)

Other than the Portfolio Interest Exemption Limit, a Stapled Securityholder must comply with certain documentation requirements in order to be exempted from withholding tax under the IRC, including under the United States Foreign Account Tax Compliance Act ("**FATCA**"). Specifically, a Stapled Securityholder must establish his status for FATCA purposes and his eligibility for the Portfolio Interest Exemption by providing an applicable IRS Form W-8 or such other certification or other information related to FATCA that is requested from time to time. A Stapled Securityholder must also provide updates of any changes to his status for FATCA purposes including information relating to his name, address, citizenship, personal identification number or tax identification number, tax residencies and tax status. Such information may be disclosed or reported to the IRS, the Inland Revenue Authority of Singapore ("**IRAS**") or other applicable tax or regulatory authorities for the purpose of compliance with FATCA. If a Stapled Securityholder fails to provide or to update relevant information necessary for compliance with U.S. tax withholding requirements, including FATCA, or provide inaccurate, incomplete or false information, amounts payable by EHT to him may be subject to deduction or withholding in accordance with U.S. tax law and any intergovernmental agreements.

If a non-U.S. Stapled Securityholder does not exceed the Portfolio Interest Exemption Limit and provides all duly completed necessary documents for compliance with U.S. tax withholding requirements to the Managers which establishes their status for FATCA purposes and eligibility for the Portfolio Interest Exemption, EHT shall pay the full amount of distributions attributable to the interest payments from the US Corp to Cayman Corp 1 to such Stapled Securityholder free from withholding. For the avoidance of doubt, each Stapled Securityholder is responsible for establishing his or her own status for FATCA purposes. In the event that the information provided to the Managers is inaccurate, incomplete or false and the distributions paid to such Stapled Securityholder should have been subject to withholding, such Stapled Securityholder shall be liable to EHT for the full amount of such withholding and EHT shall be entitled to take all available measures to recover such amount from such Stapled Securityholder.

For the avoidance of doubt, if a non-U.S. Stapled Securityholder exceeds the Portfolio Interest Exemption Limit and/or fails to provide all necessary documents as described above, only the distributions of such Stapled Securityholder shall be subject to withholding and there is no impact on the distributions of other Stapled Securityholders and EHT.

As an illustration, if EHT were to declare a distribution of 4.27 U.S. cents per Stapled Security for the period from 1 May 2019 to 31 December 2019 ("**Forecast Period 2019**") and a distribution of 6.54 U.S. cents per Stapled Security for the year from 1 January 2020 to 31 December 2020 ("**Projection Year 2020**"), and assuming that such hypothetical distributions were attributed solely to interest paid by US Corp to Cayman Corp 1, the amount a Stapled Securityholder would receive from such hypothetical distributions would vary depending on whether the required documentation or information is duly completed and received by EHT as follows:

No.	Documentation/Other Information	Distribution Paid
1	Duly completed, demonstrates eligibility for the Portfolio Interest Exemption, establishes FATCA status, and received by the Managers	4.27 US cents per Stapled Security (or its equivalent amount in Singapore dollars) for Forecast Period 2019, and 6.54 US cents per Stapled Security (or its equivalent in Singapore dollars) for Projection Year 2020(1)
2	Failure to provide documentation or other information to the Managers in a timely manner or information provided to the Managers are inaccurate, incomplete or false	2.99 US cents per Stapled Security (or its equivalent amount in Singapore dollars) for Forecast Period 2019, and 4.58 US cents per Stapled Security (or its equivalent in Singapore dollars) for Projection Year 2020(1)

Note:

(1) In each case, (i) based on the assumption that the distribution is attributable solely to interest paid by US Corp to Cayman Corp 1 and (ii) based on 30% withholding tax.

For the avoidance of doubt, this illustration is not based on actual projected distributions or on the actual amount of interest expected to be paid by US Corp to Cayman Corp 1.

Subject to specified limitations, the amount of any tax withheld generally will be creditable against the U.S. federal income tax liability of the beneficial owner of the Stapled Securities, and such person may file for a refund from the IRS of any amount of withheld tax in excess of that tax liability, provided that the applicable withholding agent has properly deposited the withheld tax with the IRS. However, such withheld amounts may not be refunded by the IRAS or other applicable non-US tax or regulatory authorities. (See "Taxation – United States Taxation – FATCA" and Appendix F for further details.)

Notice to Potential Stapled Securityholders Subject to U.S. Taxation

An investment in the Stapled Securities may not be suitable for U.S. persons, persons for which such investment would be effectively connected with a U.S. trade or business (or a permanent establishment under an applicable tax treaty), or persons that would otherwise be subject to U.S. taxation on their investment in the Stapled Securities. Such persons should consult their own tax advisers before investing in the Stapled Securities.

Personal Data Protection Act

For the purposes of the Personal Data Protection Act 2012 of Singapore ("**PDPA**"), you consent and acknowledge that all personal data (as defined in the PDPA and referred to in this Section as "**Personal Data**") provided by you to the Managers, the REIT Trustee, the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators, the Joint Bookrunners and Underwriters or any of their respective agents, may be collected, used, disclosed or otherwise processed in order for

the Managers, the REIT Trustee, the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators, the Joint Bookrunners and Underwriters or any of their respective agents, to carry out their respective duties and obligations in relation to any investment by the Stapled Securityholders into EHT, for each of the purposes as set out in this section or as may be permitted under the PDPA.

Where any Personal Data relating to any third party individuals has been provided by you to the Managers, the REIT Trustee, EHT, the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators, the Joint Bookrunners and Underwriters or any of their respective agents, you warrant and represent that you have:

(a) informed such individuals that Personal Data relating to them has been or will be disclosed to the Managers, the REIT Trustee, the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators, the Joint Bookrunners and Underwriters or any of their respective agents;

(b) informed such individuals that their Personal Data will be collected, held, used, disclosed, transferred or otherwise processed by the Managers, the REIT Trustee, the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators, the Joint Bookrunners and Underwriters or any of their respective agents to carry out their respective duties and obligations in relation to any investment by the Stapled Securityholder into EHT, and for each of the purposes as set out in this section or as may be permitted under the PDPA; and

(c) obtained the consent of all such individuals for the foregoing.

FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus constitute forward-looking statements. Statements that are not historical facts, including statements about beliefs and expectations, are forward-looking statements and can generally be identified by the use of forward-looking terminology such as the words "believe", "expect", "anticipate", "plan", "intend", "estimate", "project" and similar words. This Prospectus also contains forward-looking financial information in "Profit Forecast and Profit Projection" and other sections. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of EHT, EH-REIT, EH-BT, the REIT Manager and/or the Trustee-Manager and/or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding present and future business strategies of the REIT Manager and/or the Trustee-Manager and the environment in which EHT, EH-REIT, EH-BT, the REIT Manager and/or the Trustee-Manager will operate in the future. As these statements and financial information reflect current views of the REIT Manager and/or the Trustee-Manager concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. You should not place any reliance on these forward-looking statements and financial information.

Among the important factors that could cause the actual results, performance or achievements of EHT, EH-REIT, EH-BT, the REIT Manager, the Trustee-Manager or the Sponsor to differ materially from those in the forward-looking statements and financial information are the conditions of, and changes in, the domestic, regional and global economies, including, but not limited to, factors such as political, economic and social conditions, changes in government laws and regulations affecting EHT, competition in the hospitality markets in which EHT may operate or invest, industry, interest rates, inflation, relations with service providers, relations with lenders, hostilities (including future terrorist attacks), the performance and reputation of EHT's properties and/or acquisitions, difficulties in identifying future acquisitions, difficulty in completing and integrating acquisitions, changes in the Managers' directors and executive officers, risks related to natural disasters, general volatility of the capital markets, general risks relating to the hospitality markets in which EHT may invest and the market price of the Stapled Securities as well as other matters not yet known to the Managers or not currently considered material by the Managers. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors", "Profit Forecast and Profit Projection" and "Business and Properties". These forward-looking statements and financial information speak only as at the date of this Prospectus. The Managers expressly disclaim any obligation or undertaking to release publicly any updates of or revisions to any forward-looking statement and financial information contained herein to reflect any change in the expectations of the Managers or the Sponsor with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other relevant regulatory or supervisory body or agency.

CERTAIN DEFINED TERMS AND CONVENTIONS

EHT, EH-REIT and EH-BT will publish their financial statements in United States dollars. In this Prospectus, references to "S$", "$", "Singapore dollars" or "cents" are to the lawful currency of the Republic of Singapore and references to "USD", "US$" or "US cents" are to the lawful currency of the United States. Certain monetary amounts set out in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in tables may not be an arithmetic aggregation of the figures that precede them.

Unless otherwise defined, capitalised terms used in this Prospectus shall have the meanings set out in the Glossary.

The forecast and projected yields and yield growth are calculated based on the Offering Price and the assumption that the Listing Date is 1 May 2019. Such yields and yield growth will vary accordingly if the Listing Date is not 1 May 2019, or for investors who purchase the Stapled Securities in the secondary market at a market price different from the Offering Price.

Any discrepancies in the tables, graphs and charts included in this Prospectus between the listed amounts and totals thereof are due to rounding. Save in the case of figures in square feet ("**sq ft**"), US$ and S$ which are rounded to the nearest thousand and percentages which are rounded to one decimal place, where applicable, figures are rounded off to the nearest whole number, including all figures on revenue per available hotel room (excluding house use hotel rooms) ("**RevPAR**") and average daily rate ("**ADR**"). Measurements in square metres ("**sq m**") are converted to sq ft and *vice versa* based on the conversion rate of 1.0 sq m = 10.7639 sq ft. References to "Appendix" or "Appendices" are to the appendices set out in this Prospectus. All references in this Prospectus to dates and times shall mean Singapore dates and times unless otherwise specified.

Unless otherwise specified, all information relating to the Properties (as defined herein) in this Prospectus are as at 31 December 2018. See "Business and Properties" for details regarding the Properties. Unless otherwise specified, all references to "Holiday Inn Hotel & Suites San Mateo" in this Prospectus shall include a 47-room hotel building located on the site of this Hotel which is currently operating as an independent hotel, though planning is underway to rebrand it under the Holiday Inn or another IHG brand.

For the purposes of this Prospectus, real estate used for "**hospitality**" purposes includes hotels, serviced residences, resorts and other lodging facilities, whether in existence by themselves as a whole or as part of larger mixed-use developments, which may include commercial, entertainment, retail and leisure facilities.

MARKET AND INDUSTRY INFORMATION

This Prospectus includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. The Managers have commissioned Jones Lang LaSalle Americas, Inc. (the "**Independent Market Research Consultant**") to prepare the "Independent Hospitality Industry Report". (See Appendix E, "Independent Hospitality Industry Report" for further details.) While the Managers have taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Managers have not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein. Consequently, none of EHT, EH-REIT, EH-BT, the Managers, the REIT Trustee, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators or the Joint Bookrunners makes any representation as to the accuracy or completeness of such information, and each of them shall not be held responsible in respect of any such information and shall not be obliged to provide any updates on the same.

Both the REIT Trustee and the Trustee-Manager have appointed Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. ("**Colliers**") and SG&R Singapore Pte Ltd[1] ("**HVS**") as the valuers of the Properties (the "**Independent Valuers**"). (See Appendix D, "Independent Property Valuation Summary Reports" for further details.)

1 SG&R Singapore Pte Ltd is the Singapore entity of HVS.

USE OF TRADEMARKS OR BRANDS IN THE PROSPECTUS

This Prospectus contains certain trademarks or brands that may be the exclusive property of their respective owners which are third party hotel brand companies (the "**Hotel Franchisors**") and the Hotel Managers (as defined herein) that are not owned or controlled by EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor or the Master Lessee (as defined herein).

In the event that the agreement of the Master Lessee with the applicable Hotel Franchisor and the Hotel Managers is terminated for any reason, the use of all the relevant trademarks and service marks in connection with the relevant Property will cease. All signs and materials bearing those marks and other indicia connecting the Property with the relevant Hotel Franchisor and the Hotel Managers will be removed.

Investors are reminded that the third party Hotel Franchisors and the Hotel Managers that are party to arrangements related to the Properties are and may continue to be engaged in other business ventures, including the acquisition, development or operation of lodging, residential and vacation ownership properties, which are or may become competitors of the Properties. Therefore, these Hotel Franchisors and the Hotel Managers may have potential conflicts of interest in connection with the operation of the Properties.

In addition, none of these Hotel Franchisors and the Hotel Managers makes any representation or warranty, express or implied, as to the accuracy, currency, reliability or completeness of the information in this Prospectus and none of them is responsible or liable in any way whatsoever for any claim, loss or damage arising out of or related to such information, the offer or sale of the Stapled Securities being offered hereby, including any liability or responsibility for any financial statements, projections or other financial information or other information contained in this Prospectus or otherwise disseminated in connection with the offer or sale of the Stapled Securities offered hereby. Neither an actual or potential investor in the Stapled Securities nor any other person may seek recourse or impose any liability against any of these Hotel Franchisors and the Hotel Managers for any alleged or actual impropriety relating to the offer and sale of the Stapled Securities and/or for the operation of the business.

Hilton Worldwide Holdings, Inc.

This Prospectus contains registered trademarks, including Hilton®, Embassy Suites® and Doubletree® that are the exclusive property of Hilton Worldwide Holdings, Inc. ("**HWHI**") and its subsidiaries and affiliates. None of HWHI, its parents, subsidiaries or affiliates or any of their respective officers, directors, members, managers, stockholders, owners, agents or employees, which we refer to collectively as the "HWHI Parties" is an issuer or underwriter of the securities being offered in this Prospectus, plays (or will play) any role in the offer or sale of our securities, or has any responsibility for the creation or contents of this Prospectus. In addition, none of the HWHI Parties has or will have any liability or responsibility whatsoever arising out of or related to the sale or offer of the securities being offered in this Prospectus, including any liability or responsibility for any financial statements, projections, forecasts or other financial information or other information contained in this Prospectus or otherwise disseminated in connection with the offer or sale of the securities offered by this Prospectus. You must understand that, if you purchase our securities in this Offering, your sole recourse for any alleged or actual impropriety relating to the offer and sale of the securities and the operation of our business will be against us (and/or, as may be applicable, the seller of such securities) and in no event may you seek to impose liability arising from or related to such activity, directly or indirectly upon any of the HWHI Parties.

InterContinental Hotels Group PLC

"Holiday Inn®," "Holiday Inn Resorts®" and "Crowne Plaza®" are each a registered trademark of InterContinental Hotels Group PLC or one of its affiliates. For convenience, the applicable trademark or service mark symbol has been omitted but will be deemed to be included wherever the above referenced terms are used. All references to "IHG" mean InterContinental Hotels Group PLC and all of its affiliates and subsidiaries, and their respective officers, directors, agents, employees, accountants and attorneys. IHG is not responsible for the content of this Prospectus, whether relating to hotel information, operating information, financial information, IHG's relationship with EHT or its affiliates, or otherwise. IHG is not involved in any way, whether as an "issuer" or "underwriter" or otherwise, in the Offering and receives no proceeds from the Offering. IHG has not expressed any approval or disapproval regarding this Prospectus or the Offering related to this Prospectus, and the grant by IHG of any franchise or other rights to EHT or its affiliates shall not be construed as any expression of approval or disapproval. IHG has not assumed, and shall not have, any liability in connection with this Prospectus or the Offering related to this Prospectus.

Marriott International, Inc.

"Renaissance Hotels®," "Renaissance®," "Sheraton Hotels®," "Sheraton®," "Four Points®", "Westin®" and "Delta®" are each a registered trademark of Marriott International, Inc. or one of its affiliates. For convenience, the applicable trademark or service mark symbol has been omitted but will be deemed to be included wherever the above referenced terms are used. All references to "Marriott" mean Marriott International, Inc. and all of its affiliates and subsidiaries, and their respective officers, directors, agents, employees, accountants and attorneys. Marriott is not responsible for the content of this Prospectus, whether relating to hotel information, operating information, financial information, Marriott's relationship with EHT and its affiliates or otherwise. Marriott is not involved in any way, whether as an "issuer" or "underwriter" or otherwise, in the Offering and receives no proceeds from the Offering. Marriott has not expressed any approval or disapproval regarding this Prospectus or the Offering related to this Prospectus, and the grant by Marriott of any franchise or other rights to EHT shall not be construed as any expression of approval or disapproval. Marriott has not assumed, and shall not have, any liability in connection with this Prospectus or the Offering related to this Prospectus.

Crestline Hotel & Resorts, LLC

Crestline Hotel & Resorts, LLC ("**Crestline**") is not an issuer or underwriter of the securities being offered in this Prospectus and does not play (or will not play) any role in the offer or sale of our securities, or has any responsibility for the creation or contents of this Prospectus. In addition, Crestline does not have or will not have any liability or responsibility whatsoever arising out of or related to the sale or offer of the securities being offered in this Prospectus, including any liability or responsibility for any financial statements, projections, forecasts or other financial information or other information contained in this Prospectus or otherwise disseminated in connection with the offer or sale of the securities offered by this Prospectus. You must understand that, if you purchase our securities in this Offering, your sole recourse for any alleged or actual impropriety relating to the offer and sale of the securities and the operation of our business will be against us (and/or, as may be applicable, the seller of such securities) and in no event may you seek to impose liability arising from or related to such activity, directly or indirectly upon Crestline.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which Deutsche Bank AG, Singapore Branch, as a "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Stapled Securities in the Offering have been subject to a product approval process, which has determined that the Stapled Securities in the Offering are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the MiFID II Product Governance Requirements) should note that: the price of the Stapled Securities in the Offering may decline and investors could lose all or part of their investment; the Stapled Securities in the Offering offer no guaranteed income and no capital protection; and an investment in the Stapled Securities in the Offering is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners and Underwriters will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Stapled Securities in the Offering.

Each distributor is responsible for undertaking its own target market assessment in respect of the Stapled Securities in the Offering and determining appropriate distribution channels.

OVERVIEW

The following overview is qualified in its entirety by, and is subject to, the more detailed information contained or referred to elsewhere in this Prospectus. The meanings of terms not defined in this overview can be found in the Glossary, the Stapling Deed, the EH-REIT Trust Deed or the EH-BT Trust Deed (each as defined herein). A copy of the Stapling Deed and the EH-REIT Trust Deed can be inspected at the registered office of the REIT Manager, which is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, while a copy of the Stapling Deed and the EH-BT Trust Deed can be inspected at the registered office of the Trustee-Manager, which is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

Statements contained in this section that are not historical facts may be forward-looking statements or are historical statements reconstituted on a pro forma basis. Such statements are based on certain assumptions and are subject to certain risks, uncertainties and assumptions which could cause actual results of EHT to differ materially from those forecast or projected (See "Forward-looking Statements" for further details). Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by EHT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators, the Joint Bookrunners or any other person or that these results will be achieved or are likely to be achieved. Investing in the Stapled Securities involves risks. Prospective investors are advised not to rely solely on this section, but to read this Prospectus in its entirety and, in particular, the sections from which the information in this section is extracted and "Risk Factors" to better understand the Offering and EHT's businesses and risks.

INTRODUCTION TO EHT

EHT

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

EH-REIT is a Singapore-based real estate investment trust ("**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 US.

For the purposes of this Prospectus, real estate used for "**hospitality**" purposes includes hotels, serviced residences, resorts and other lodging facilities, whether in existence by themselves as a whole or as part of larger mixed-use developments, which may include commercial, entertainment, retail and leisure facilities.

The REIT Manager is indirectly 51% owned by Howard Wu and 49% owned by Taylor Woods. Howard Wu and Taylor Woods are the co-founders of the Sponsor (collectively, the "**Founders**" and each, a "**Founder**") and they each own 50% of the common equity interests in the Sponsor.

EH-BT is a Singapore-based business trust which will be dormant as at the Listing Date. The Trustee-Manager is indirectly 51% owned by Howard Wu and 49% owned by Taylor Woods.

EHT is a US hospitality specialist with an invested Sponsor and a portfolio of full service hotels in the top US markets.

(See "Structure of EHT" for further details.)

Objectives

The Managers' principal objectives are to deliver regular and stable distributions to the holders of the Stapled Securities (the "**Stapled Securityholders**") and to achieve long-term growth in distribution per Stapled Security ("**DPS**") and in the net asset value ("**NAV**") per Stapled Security, while maintaining an appropriate capital structure.

Initial Portfolio

The initial portfolio of EHT (the "**Initial Portfolio**") will, on the Listing Date, comprise 18 full service hotel properties consisting of nine Upper Upscale hotels, five Upscale hotels and four Upper Midscale hotels (the "**Hotels**" or the "**Properties**") located in the United States, with a total of 5,420 rooms and an aggregate valuation of approximately US$1.27 billion[1]. 94.7% of the Initial Portfolio (by number of rooms) are located in the top 30 largest Metropolitan Statistical Areas ("**MSA**") in the United States (out of 383 MSAs in total).

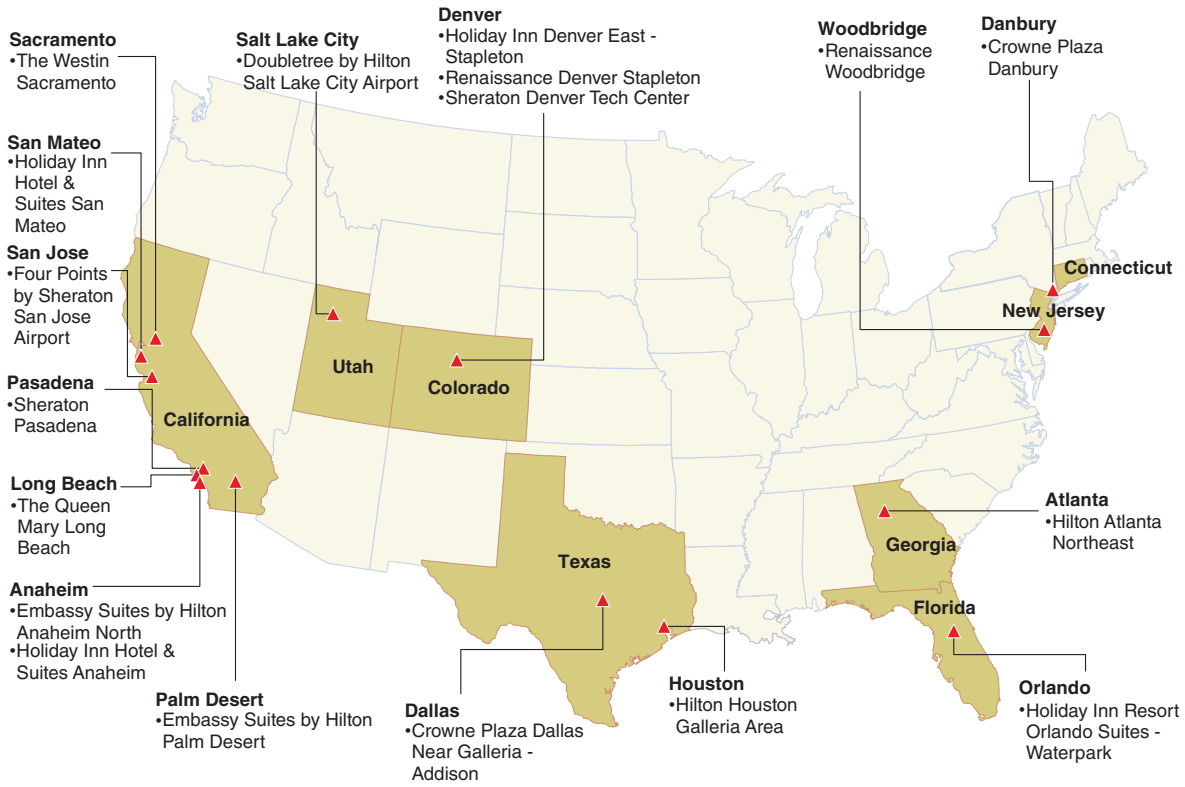
The features of each type of Hotel in the Initial Portfolio are set out below:

- **Upper Upscale:** Typically offer a full range of on-property amenities and services, including full service, all-day restaurants, room service (in most cases), recreational facilities, a fitness centre, and a business centre. In some cases, the hotels feature concierges and spas. For hotels that are in an airport market, they often offer a shuttle service to airport.

- **Upscale:** Offer an array of on-property amenities and services, including a F&B outlet offering breakfast (and in some cases a three-meal operation), recreational facilities (in some cases), a fitness centre and a business centre. For hotels that are in an airport market, they often offer a shuttle service to airport.

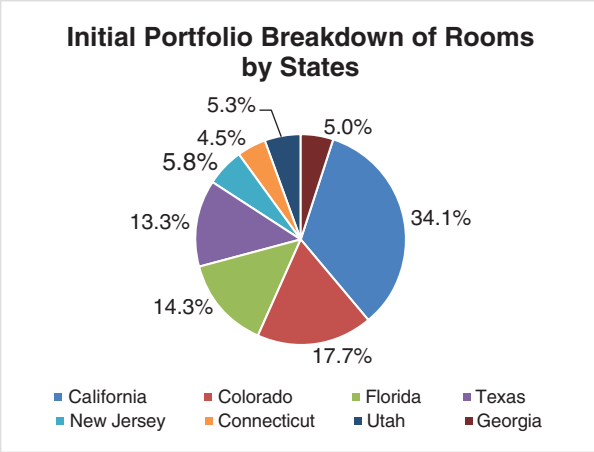
- **Upper Midscale:** Feature a breakfast buffet, selected on-property amenities to include a fitness centre and selected business services. For hotels that are in an airport market, they often offer a shuttle service to airport.

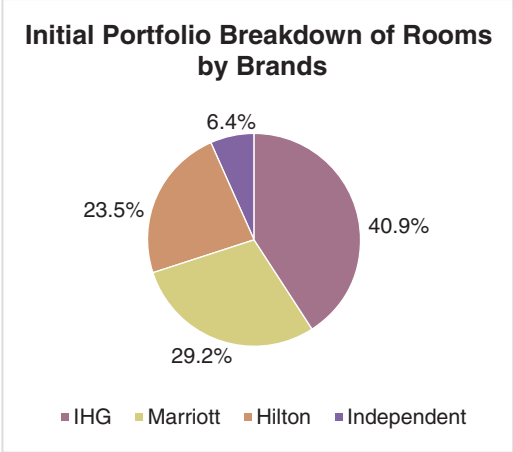
The location of the Initial Portfolio is set out below.



1 Based on the adopted value of each of the Properties, which is the independent valuation by HVS (as at 31 December 2018) ("**Adopted Value**").

The following charts show a summary of key details of the Initial Portfolio:





Name of Hotel	Location	Market Segment	Number of Hotel Rooms
Sheraton Pasadena	Pasadena, California	Upper Upscale	311
Holiday Inn Hotel & Suites Anaheim	Anaheim, California	Upper Midscale	255
Embassy Suites by Hilton Anaheim North	Anaheim, California	Upper Upscale	223
Holiday Inn Hotel & Suites San Mateo	San Mateo, California	Upper Midscale	219
Four Points by Sheraton San Jose Airport	San Jose, California	Upscale	195
The Westin Sacramento	Sacramento, California	Upper Upscale	101
Embassy Suites by Hilton Palm Desert	Palm Desert, California	Upper Upscale	198
The Queen Mary Long Beach	Long Beach, California	Upscale	347
Renaissance Denver Stapleton	Denver, Colorado	Upper Upscale	400
Holiday Inn Denver East – Stapleton	Denver, Colorado	Upper Midscale	298
Sheraton Denver Tech Center	Denver, Colorado	Upper Upscale	263
Holiday Inn Resort Orlando Suites – Waterpark	Orlando, Florida	Upper Midscale	777
Crowne Plaza Dallas Near Galleria-Addison	Dallas, Texas	Upscale	428
Hilton Houston Galleria Area	Houston, Texas	Upper Upscale	292
Renaissance Woodbridge	Woodbridge, New Jersey	Upper Upscale	312
Crowne Plaza Danbury	Danbury, Connecticut	Upscale	242
Doubletree by Hilton Salt Lake City Airport	Salt Lake City, Utah	Upscale	288
Hilton Atlanta Northeast	Atlanta, Georgia	Upper Upscale	271
Total			**5,420**

KEY INVESTMENT HIGHLIGHTS OF EHT

(Unless otherwise stated herein, the industry and market-related data and information in this section have been extracted from the Independent Hospitality Industry Report set out in Appendix E which has been prepared by the Independent Market Research Consultant.)

The Managers believe that an investment in EHT offers the following attractions to Stapled Securityholders:

1. Strong U.S. macroeconomic and hospitality fundamentals

a. A fast-growing economy, with the hospitality industry as the standout performer

- Fastest Gross Domestic Product ("**GDP**") growth amongst the G7 (2012-2017 and 2017-2022 forecast)
- Large diversified economy makes it one of the most economically stable amongst the G7 over the last two decades
- Accommodation services spending growth of 6.0% per annum compared to overall consumer spending growth of 4.0% per annum over the last 15 years (2002-2017)

b. Robust corporate and leisure demand drivers

- *Corporate demand:* Business sentiment close to all-time highs, supported by strong manufacturing Purchasing Managers' Index ("**PMI**") and accelerating corporate earnings growth
- *Leisure demand:* Consumer confidence and wage growth close to their highest in a decade, driven by steady job creation and low unemployment

c. Favourable demand-supply dynamics

- Since 2009, lodging demand has grown over two times faster than supply[1]
- Forecast room supply growth of 1.9% per annum from 2018-2022, below the average over the last two decades of 2.3% per annum (on a normalised basis, excluding the periods following the September 11th terror attacks in the U.S. and Global Financial Crisis)[2]

2. Pure-play U.S. hotel exposure with focus on large, high-growth markets

a. 57.1%[3] in the top 10[4] largest MSAs and 94.7%[3] in the top 30[4] MSAs (out of 383 MSAs in total)

b. Focused on growth markets (portfolio weighted average vs. U.S. overall, 2017-2022E)

- Real GDP growth of 3.1% per annum vs. 2.3% per annum
- Real non-farm payroll growth of 1.3% per annum vs. 0.8% per annum

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1 Based on the average annual growth from 2009 to 2017.

2 Assuming approximately three year time lag between key events and slowing supply growth, due to construction time.

3 Based on number of rooms in the Initial Portfolio.

4 Ranking based on 2017 GDP.

c. Exposure to 11 major MSAs with varied economic drivers provides benefits of diversification within a unified economic and legal framework, with no currency risks

3. Well-invested, primarily freehold, internationally branded hotels

a. 17 out of 18 assets are freehold[1]

b. 93.6%[2] branded by the three largest hotel franchisors globally, providing access to the largest marketing networks and loyalty programmes

c. Targeted exposure to upper-midscale to upper-upscale hotels provides resilience

d. Well located near proven demand generators (e.g. convention centres, major business districts corporate headquarters, Disney and other major theme parks and airports)

e. US$174 million of capital expenditure spent on the Initial Portfolio since 2013

4. Multiple visible growth drivers

a. Ramp-up of recently refurbished assets – 77.2%[3] of portfolio refurbished since 2018

b. US$18.6 million identified further asset enhancements

c. Potential acquisition opportunities – two pipeline assets coupled with sourcing capabilities of Founders and Managers

5. Well-structured for stability and growth

a. Master Lease Agreements

- Fixed Rent accounts for 66.0% of rental income[4]
- 71.3% of Variable Rent[4] based on gross operating revenue ("**Gross Operating Revenue**" or "**GOR**"), which provides long-term growth without exposure to margin volatility

b. Prudent capital structure – approximately 38.0% Aggregate Leverage with approximately US$170 million debt headroom[5], well spread maturity profile with weighted average debt maturity of approximately 4.2 years

6. Committed Sponsor and management team with established track record

a. Sponsor with 10-year track record of hotel acquisitions and intensive asset management

b. Strong alignment of interest, with Founders to collectively own 15.2% stake[6] in EHT, by rolling forward 100% of their common equity in the USHI Portfolio[7]

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1 The only non-freehold asset in the portfolio is The Queen Mary Long Beach which has balance lease tenure of approximately 63 years.

2 Based on the number of rooms in the Initial Portfolio.

3 Based on the Adopted Value of the Initial Portfolio.

4 Based on Projection Year 2020.

5 Debt headroom computed based on the maximum Aggregate Leverage permitted under the Property Funds Appendix of 45.0%.

6 Based on percentage ownership in the Stapled Securities of EHT, immediately following the completion of the Offering, assuming the Over-Allotment Option is not exercised based on the Offering Price.

7 Assuming that the Over-Allotment Option is not exercised. The Over-Allotment Option is granted by the Stapled Security Lender, which is wholly owned by Howard Wu. See "Plan of Distribution – Over-Allotment and Stabilisation" for more details.

c. Management Fees structured to incentivise the Managers to provide Stapled Securityholders with stable and growing distributions

d. Management team with average 20 years of real estate, hospitality and finance experience

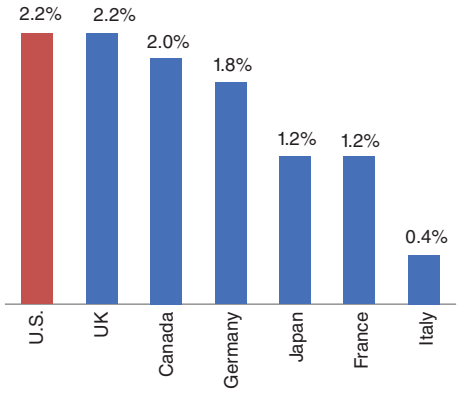
1. Strong U.S. macroeconomic and hospitality fundamentals

a. A fast-growing economy, with the hospitality industry as the standout performer

The U.S. is the world's largest economy and also one of the most stable and diversified. It has been the fastest-growing amongst the G7 developed economies over the last five years, and this outperformance is expected to continue over the next five years.

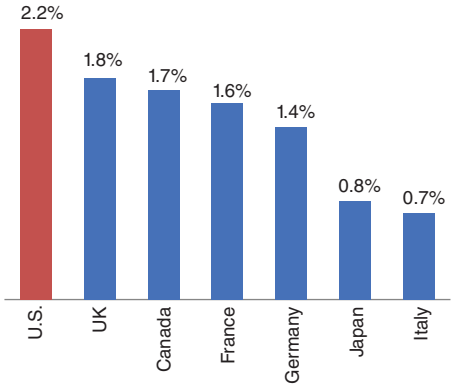
Growth in the U.S. hospitality industry has historically been highly correlated with that of U.S. GDP, and the industry is therefore poised to benefit from the country's strong economic growth, especially given its high exposure to domestic travel.

Real GDP Growth per Annum (2012 – 2017)



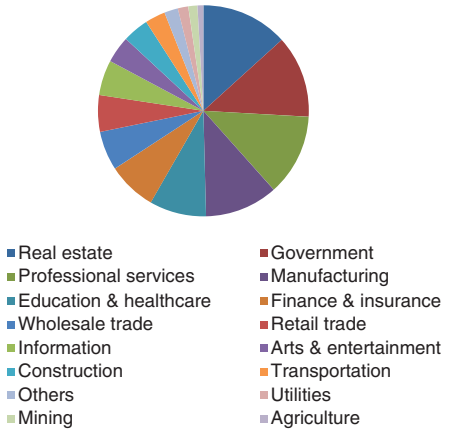
Source: Independent Market Research Consultant

Projected Real GDP Growth per Annum (2017 – 2022)



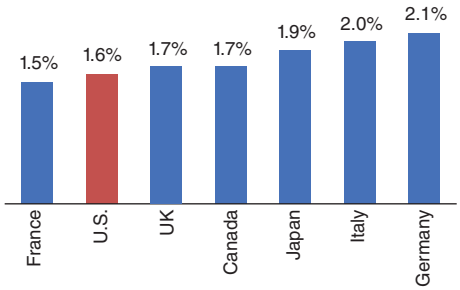
Source: Independent Market Research Consultant

U.S. 2017 GDP breakdown by Sector



Source: Independent Market Research Consultant

Real GDP Growth Volatility (Last 20 years, 1998 – 2017)[1]

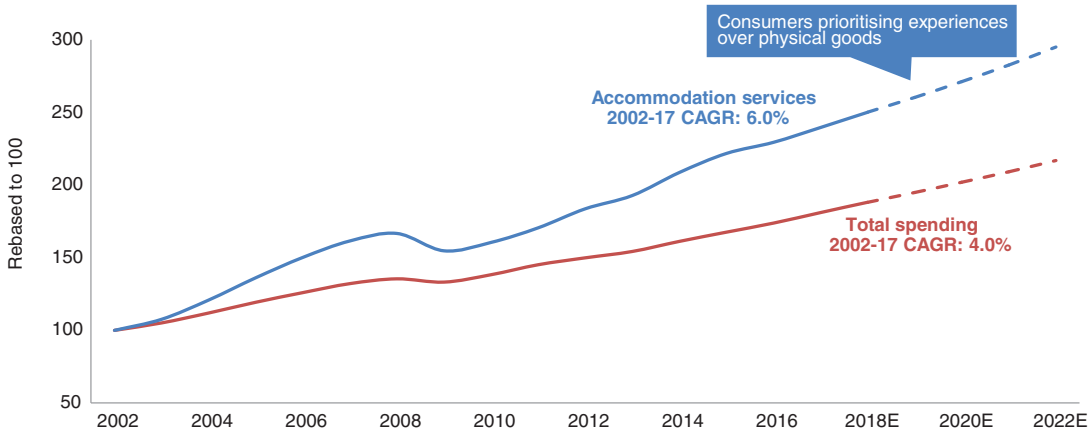


Source: Independent Market Research Consultant

1 Standard deviation of annual GDP growth.

In addition, consumer attitudes toward spending on leisure and travel, as well as long-term social and demographic trends, have led to a steady increase in accommodation services' share of U.S. consumer spending.

Consumer Spending Growth (Accommodation Services versus Total)

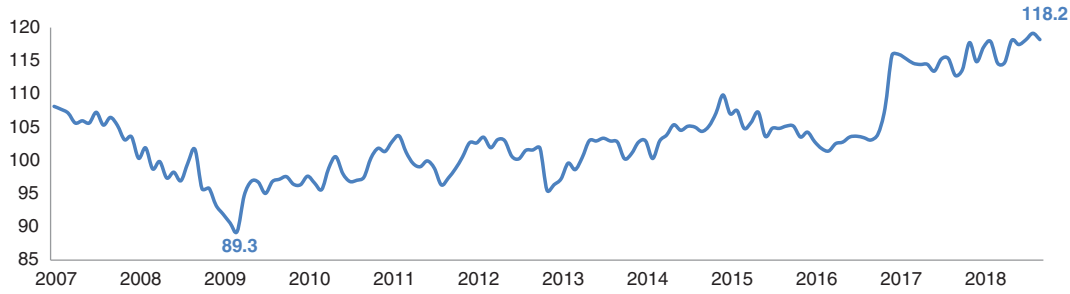


Source: Independent Market Research Consultant

b. Robust corporate and leisure demand drivers

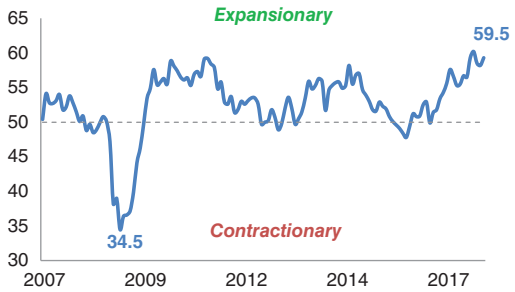
The drivers of U.S. corporate hotel demand are increasingly robust. U.S. business sentiment is at close to all-time highs, driven by a favourable business environment, recent cuts to the corporate tax rate, and accelerating earnings growth.

U.S. National Federation of Independent Business Small Business Optimism Index



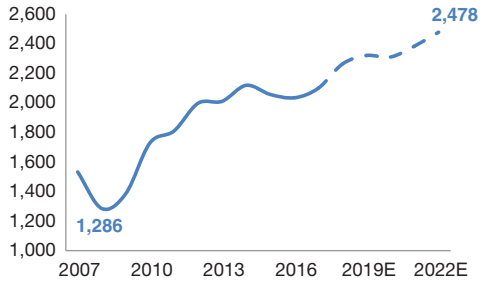
Source: Independent Market Research Consultant

U.S. Institute of Supply Management Manufacturing PMI



Source: Independent Market Research Consultant

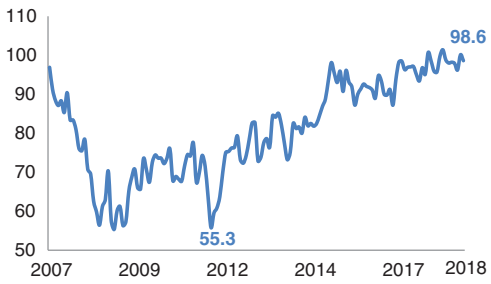
Corporate Earnings Growth (US$ billion)



Source: Independent Market Research Consultant

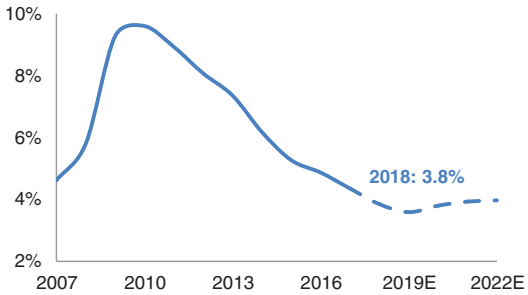
The drivers of U.S. leisure hotel demand are similarly robust. Consumer confidence is close to its highest in a decade, whilst steady job creation has driven unemployment to 3.8%, which is helping to accelerate wage growth. U.S. consumer balance sheets also remain healthy, with rising net worth and a significantly lower household debt-to-GDP ratio than before the Global Financial Crisis.

U.S. Consumer Sentiment Index



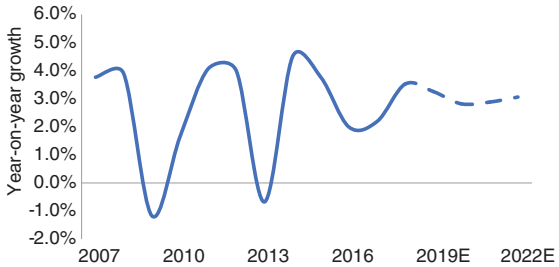
Source: Independent Market Research Consultant

U.S. Unemployment Rate



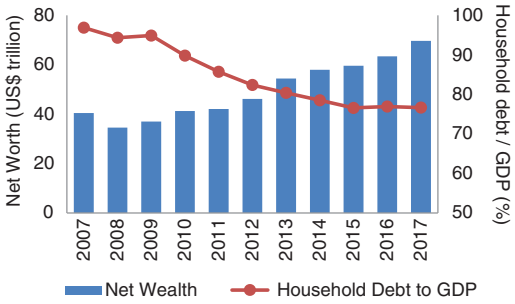
Source: Independent Market Research Consultant

Median Household Income Growth



Source: Independent Market Research Consultant

U.S. Net Wealth and Household Debt

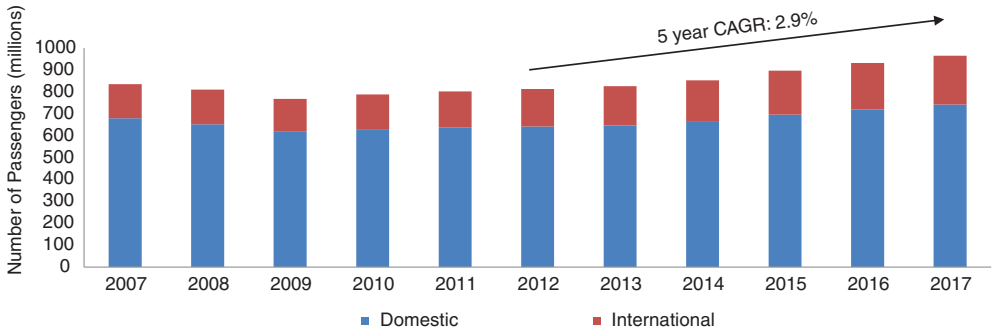


Source: Independent Market Research Consultant

In particular, U.S. hotel demand is largely driven by domestic travellers. The Managers expect this to increase the stability of the U.S. hospitality industry, as domestic travel is less impacted by geopolitical events and currency fluctuations. U.S. domestic travellers are also a largely captive market, with less than 42%[1] of U.S. citizens owning a passport.

1 Independent Market Research Consultant

Number of Passengers at U.S. Airports

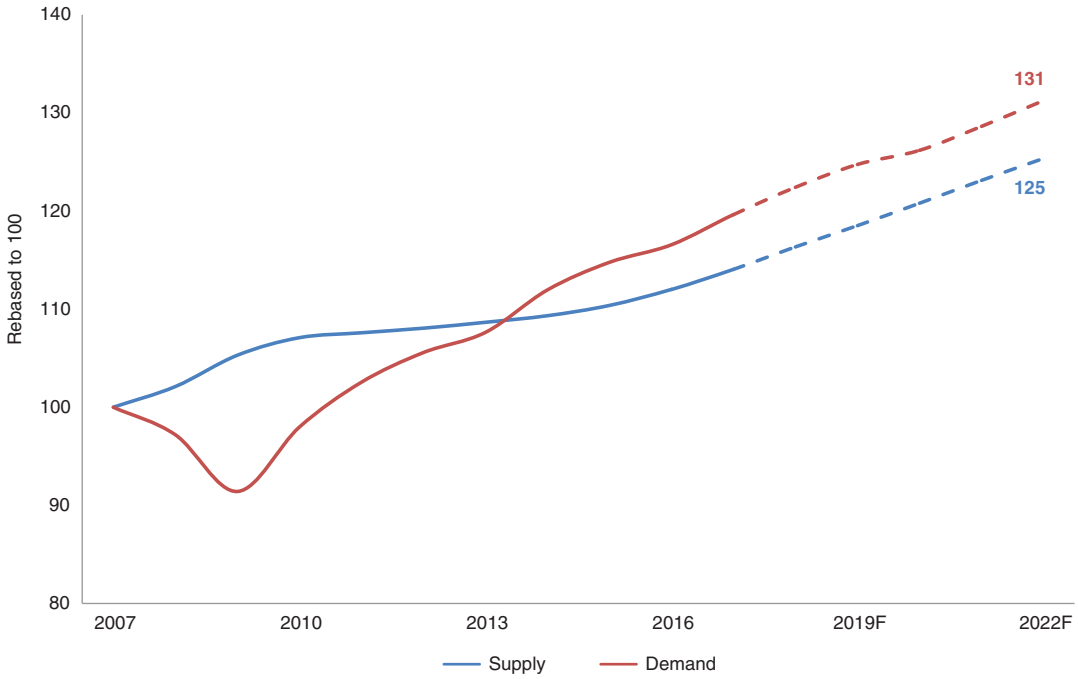


Source: Independent Market Research Consultant

c. Favourable demand-supply dynamics

U.S. lodging demand has grown two times faster than supply since 2009[1].

U.S. Lodging Market Demand Supply Growth



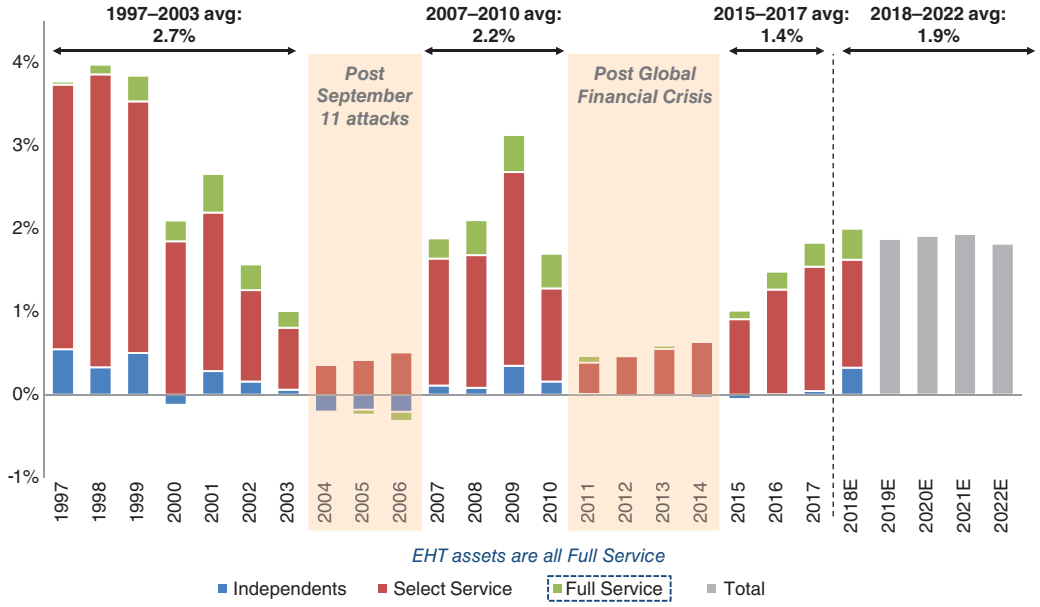
Source: Independent Market Research Consultant

Despite rapid demand growth, the growth in supply of new hotel rooms is expected to remain steady at 1.9% per annum of existing stock from 2018-2022, below the average over the last two decades of 2.3% per annum (on a normalised basis, excluding the periods following the September 11th terror attacks in the U.S. and Global Financial Crisis)[2]. Supply is expected to be moderate, in part due to the rapid growth in construction costs, which have driven the cost to construct new hotels above that of existing stock in many locations.

1 Based on the average annual growth from 2009 to 2017.

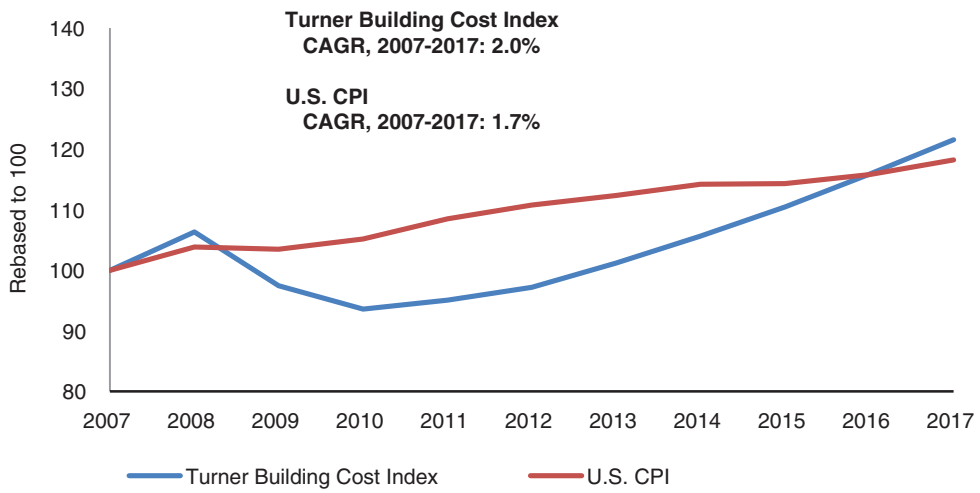
2 Assuming approximately three year time lag between key events and slowing supply growth, due to construction time.

U.S. Lodging Supply Growth per Annum



Source: Independent Market Research Consultant

Turner Building Cost Index vs. U.S. Consumer Price Index (CPI)



Source: Independent Market Research Consultant

2. Pure-play U.S. hotel exposure with focus on large, high-growth markets

a. 57.1%[1] of portfolio in the top 10[2] MSAs; 94.7%[1] of portfolio in the top 30[2] MSAs

EHT offers investors the unique opportunity to participate in a pure-play U.S. hospitality real estate portfolio listed on the SGX-ST. 57.1%[1] and 94.7%[1] of EHT's portfolio by rooms are located in the top 10[2] and top 30[2] largest MSAs in the U.S (out of 383 MSAs in total) respectively.

The Managers believes that EHT will benefit from its focus on the top MSAs (which are generally centres of greater affluence, economic dynamism and population density), or major leisure destinations (which contribute to greater sustained demand for hotels).

Portfolio Locations by MSA

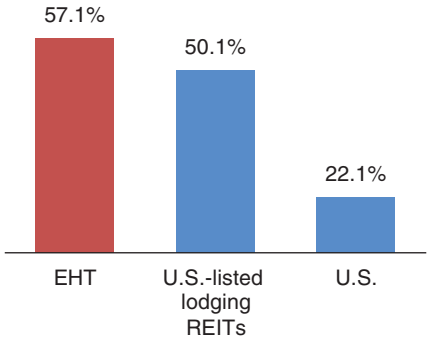
Rank	MSA	2017 GDP (US$bn)	No. of Properties	Cumulative % (by rooms)
1.	New York-Newark-Jersey City, NY-NJ-PA	1,600	2	10.2%
2.	Los Angeles-Long Beach-Anaheim, CA	1,039	4	31.2%
4.	Dallas-Fort Worth-Arlington, TX	494	1	39.1%
6.	Houston-The Woodlands-Sugar Land, TX	466	1	44.5%
7.	San Francisco-Oakland-Hayward, CA	428	2	52.1%
10.	Atlanta-Sandy Springs-Roswell, GA	355	1	57.1%
19.	Riverside-San Bernardino-Ontario, CA	195	1	60.8%
20.	Denver-Aurora-Lakewood, CO	193	3	78.5%
26.	Sacramento-Roseville-Arden-Arcade, CA	145	1	80.4%
27.	Orlando-Kissimmee-Sanford, FL	138	1	94.7%
41.	Salt Lake City, UT	85	1	100.0%

Source: Independent Market Research Consultant

1 Based on number of rooms in the Initial Portfolio.

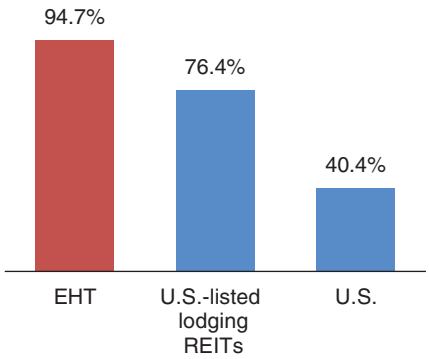
2 Ranking based on 2017 GDP.

Percentage of Rooms in the Top-10[1] MSAs



Source: Independent Market Research Consultant

Percentage of Rooms in the Top-30[1] MSAs

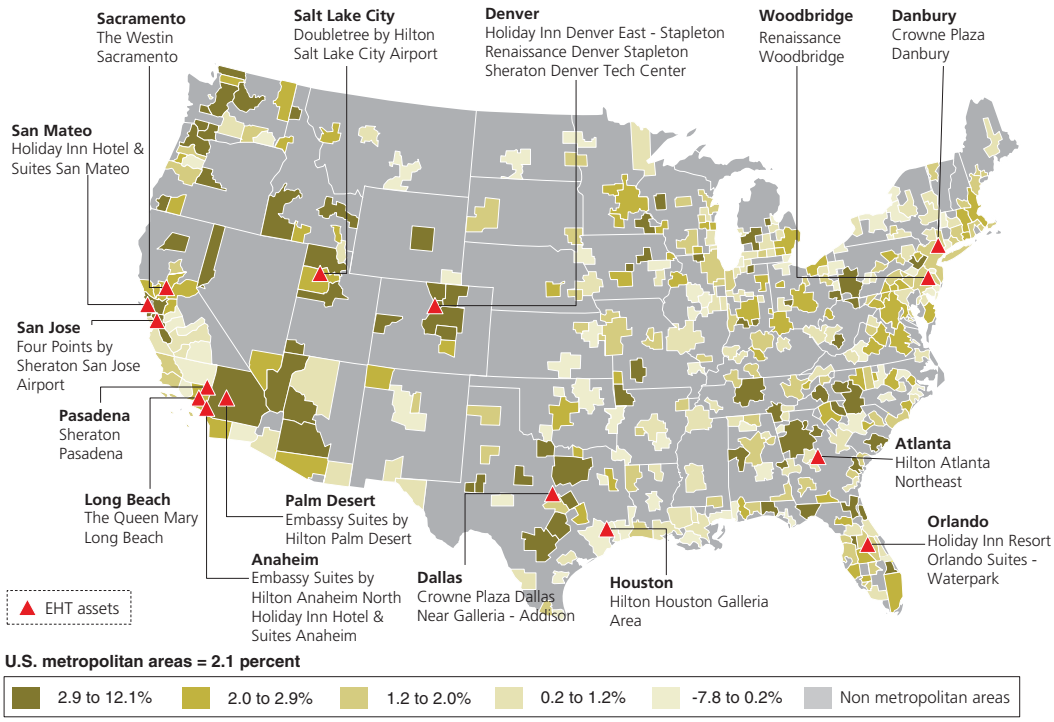


Source: Independent Market Research Consultant

b. Initial Portfolio focused on growth markets

The Initial Portfolio is focused on markets (particularly coastal markets) which are expected to benefit from higher GDP and job growth and hence higher hospitality demand growth, more diverse demand generators, and greater liquidity than the U.S. national average.

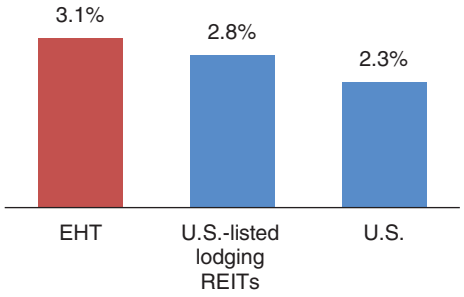
Percentage Change in Real Gross Domestic Product (GDP) by MSAs, 2017



Source: Independent Market Research Consultant

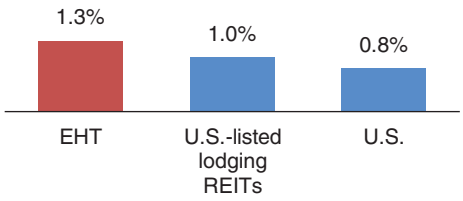
1 Ranking based on 2017 GDP.

Weighted Average Real GDP Growth p.a. (2017 – 2022 forecast)



Source: Independent Market Research Consultant

Weighted Average Non-Farm Payrolls Growth p.a. (2017 – 2022 forecast)



Source: Independent Market Research Consultant

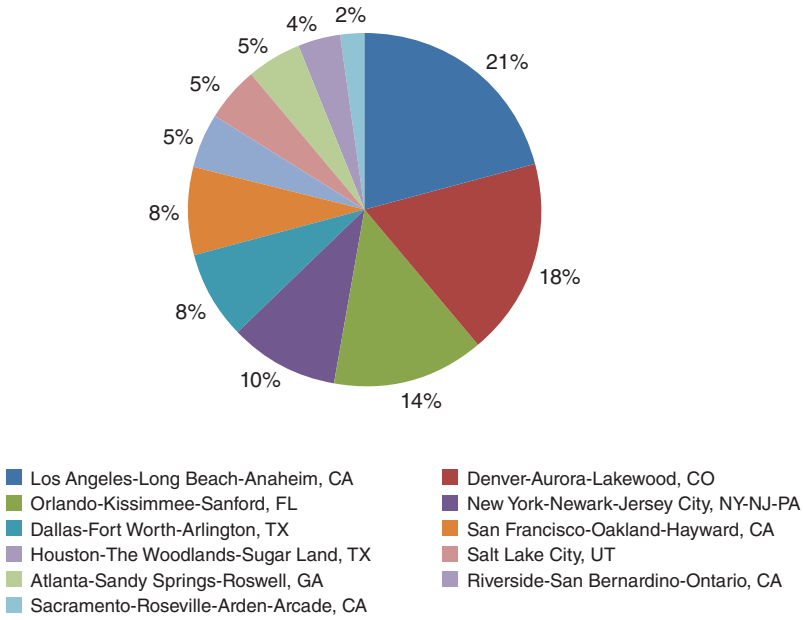
c. Diversified portfolio contributes to stability

EHT enjoys diversified demand from a variety of corporate sectors and leisure attractions, in addition to a mix of international and domestic travellers.

The Initial Portfolio is well-diversified, with no single MSA accounting for more than a third of the portfolio by number of rooms.

In particular, unlike other REITs with multi-jurisdictional portfolios and exposure to several countries, EHT is able to provide the benefits of diversified exposure to 11 major MSAs with varied economic and demand drivers, yet all within a unified economic and legal framework, with no currency risks.

Initial Portfolio Breakdown of Rooms by MSA



Source: Independent Market Research Consultant

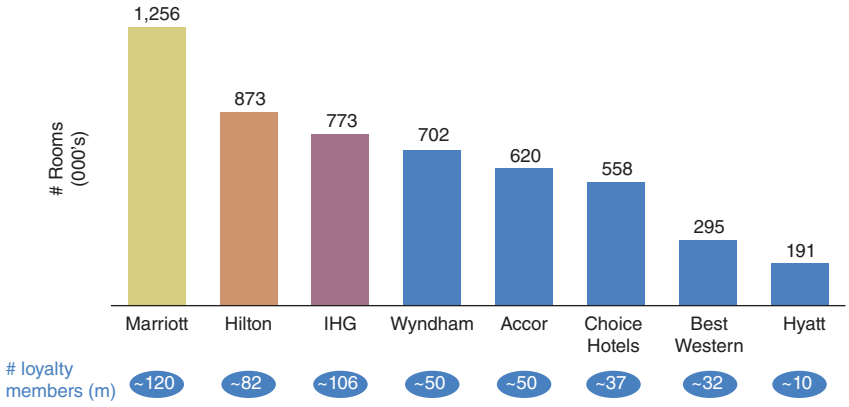
3. Well-invested, primarily freehold, internationally branded hotels

a. 93.6%[1] branded by the three largest global hotel franchisors (based on number of rooms)

All the assets in the Initial Portfolio, except The Queen Mary Long Beach, are branded by and operated under Franchise Agreements with the three largest global hotel franchisors – Marriott, HWHI and IHG.

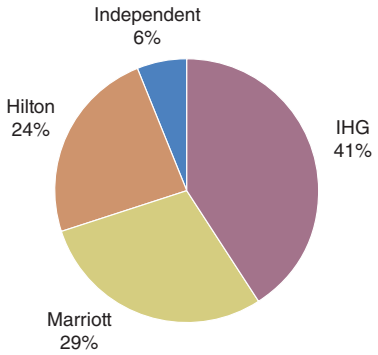
The Hotels therefore benefit from large reservation networks, marketing platforms and loyalty programs, which provide a more captive, stable demand base. The flexibility to select from amongst the best hotel brands and hotel managers provides greater leverage when negotiating franchise and management agreements, more flexibility to re-position or re-brand assets as required, and maximises the opportunity set for future asset acquisitions.

Number of Rooms and Loyalty Program Members Associated with Global Hotel Chains



Source: Independent Market Research Consultant

Initial Portfolio Breakdown of Rooms by Global Hotel Chains



Source: Independent Market Research Consultant

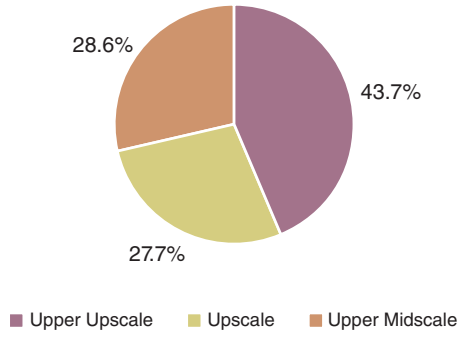
1 Based on number of rooms in the Initial Portfolio.

b. Targeted exposure to upper midscale to upper upscale hotels

All assets in the Initial Portfolio are positioned as either upper midscale, upscale, or upper upscale and are full service hotels. The Managers believe these hotel classes provide the following benefits:

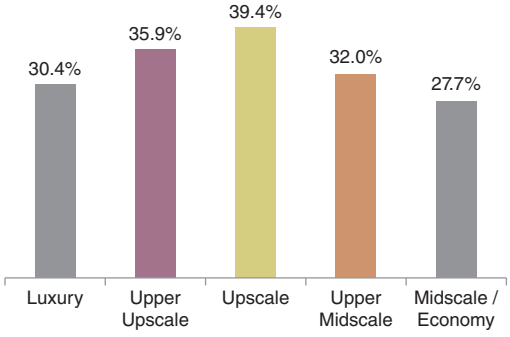
- More resilient RevPARs and Gross Operating Revenues during cyclical downturns as ADRs remain affordable.
- More resilient gross operating profit, comprising Gross Operating Revenue less operating expenses ("**Gross Operating Profit**" or "**GOP**") during cyclical downturns, due to both the stability of Gross Operating Revenues and lower fixed costs than luxury hotels.
- Full service hotels cater to weddings, corporate functions and events, providing ancillary revenue, diversifying income sources and generating demand for hotel rooms.

Initial Portfolio Breakdown of Rooms by Chain Scale



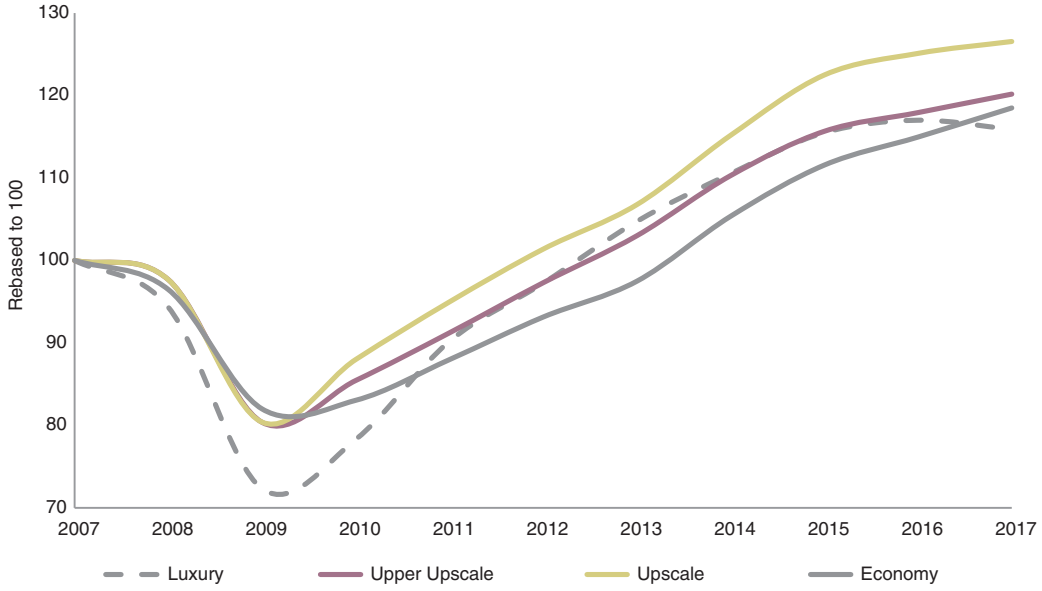
Source: Independent Market Research Consultant

U.S. Hotels GOP Margins by Chain Scale (2017)



Source: Independent Market Research Consultant

U.S. Hotels RevPAR (2007 – 2017)



Note: Upper Midscale not available due to recategorisation of brands in the Chain Scale

c. Hotels well located near proven demand generators

The Managers have categorised the Initial Portfolio based on the primary demand generator at each Property, namely (1) Corporate-led hotels, (2) Leisure-led hotels and (3) Airport hotels. Most of the Properties also have multiple secondary demand drivers, which provide income diversity and stability.

Corporate (47.5%)[1]	Leisure (39.5%)[1]	Airports (13.0%)[1]
Renaissance Denver Stapleton (7.4%) and Holiday Inn Denver East – Stapleton (5.5%) • Immediate proximity to the Colorado Science and Technology Park and other offices • Renaissance Denver Stapleton is one of six hotels with IACC[2] certification in Colorado **Crowne Plaza Dallas Near Galleria-Addison (7.9%)** • Proximity to major office complexes • Proximity to Galleria shopping and Addison centre **Renaissance Woodbridge (5.8%)** • Proximity to Rutgers University, pharmaceutical company offices and other corporates • Corporate accounts include major tech and accounting firms **Sheraton Pasadena (5.7%)** • In Old Town Pasadena, with strong retail, dining and entertainment within walking distance • Proximity to office complexes located in Glendale • Next to Civic Auditorium and convention facilities **Others** • Hilton Houston Galleria Area (5.4%) • Hilton Atlanta Northeast (5.0%) • Sheraton Denver Tech Center (4.9%)	**Holiday Inn Resort Orlando Suites – Waterpark (14.3%)** • Close proximity to Disney World • 1 of 4 waterparks in the area – guests pay an additional fee to use the waterpark **The Queen Mary Long Beach (6.4%)** • An iconic ship that is a destination in itself • Events attract approximately 1.5 million visitors per year **Holiday Inn & Suites Anaheim (4.7%)** • Next to Disneyland • 1.3 miles from Anaheim Convention Centre (largest on the west coast) **Others** • Crowne Plaza Danbury (4.5%) • Embassy Suites by Hilton Anaheim North (4.1%) • Embassy Suites by Hilton Palm Desert (3.7%) • The Westin Sacramento (1.9%)	**Doubletree by Hilton Salt Lake City Airport (5.3%)** • 1.5 miles from Salt Lake City International Airport (hub for Delta Airlines) • New US$3.6bn airport under construction (Phase 1 expected to complete in 2020; Phase II in 2024) **Holiday Inn Hotel & Suites San Mateo (4.0%)** • 4.5 miles from San Francisco International Airport • Passenger traffic has increased 20 million p.a. between 2007 and 2017[3] • Recently signed new airline contract **Four Points by Sheraton San Jose Airport (3.6%)** • 1.1 miles from Norman Y. Mineta San Jose International Airport • Airport is expected to undergo a billion-dollar expansion over the next few years • Recently signed multiple airline contracts

1 Numbers in brackets in the table represent each Hotel's contribution to total number of rooms of the Initial Portfolio.

2 International Association of Conference Centres.

3 Independent Market Research Consultant.

d. US$174 million of capital expenditure spent on the Initial Portfolio since 2013

From 2013 to first quarter 2019, US$174 million was spent refurbishing the Initial Portfolio, as well as updating certain hotels to the latest brand standards. As a result, 90.4% and 77.2%[1] of the Initial Portfolio by valuation has had major refurbishment works completed since 2013 and since 2018, respectively. The Managers believe that the newly-refurbished properties will require minimal capital expenditure post Listing, thus improving the free cashflow of EHT and keeping its debt headroom available for accretive acquisitions.

Total Capital Expenditure on the Initial Portfolio (US$ million)

The table below describes the work that has been done from 2013 to first quarter 2019 for the Initial Portfolio.

Property	Capital Expenditure Summary	Amount Spent (US$ million)	Completion Date
Holiday Inn Resort Orlando Suites – Waterpark	Full renovation of rooms and public spaces	27.5	August 2018
The Queen Mary Long Beach	Repurposing of unutilised public spaces and structural works	23.5	December 2018
Renaissance Denver Stapleton	Full renovation of rooms and public spaces	16.8	September 2018
Sheraton Pasadena	Full renovation of rooms and public spaces – including exterior front porch	16.8	March 2019[2]
Hilton Atlanta Northeast	Full renovation of rooms and public spaces	13.0	December 2018
Holiday Inn Denver East – Stapleton	Full renovation of rooms and public spaces	10.9	September 2018
Hilton Houston Galleria Area	Full renovation of rooms and public spaces	9.7	March 2019[2]
Embassy Suites by Hilton Anaheim North	Full renovation of rooms and public spaces	9.3	November 2018
Embassy Suites by Hilton Palm Desert	Full renovation of rooms and public spaces	9.0	February 2018
Doubletree by Hilton Salt Lake City Airport	Rebranded, full renovation of rooms and public spaces	7.6	March 2019[2]
Renaissance Woodbridge	Rebranded, full renovation of rooms and public spaces	6.3	March 2019[2]

1 Based on the Adopted Value of the Initial Portfolio.

2 Asset enhancement works have substantially been completed; expected completion date for final works is in May 2019.

Property	Capital Expenditure Summary	Amount Spent (US$ million)	Completion Date
Four Points by Sheraton San Jose Airport	Rebranded, full renovation of rooms and public spaces	6.3	March 2016
Holiday Inn Hotel & Suites San Mateo	Full renovation of two buildings – third building outstanding	5.6	June 2018
Sheraton Denver Tech Center	Refurbishment and renovation of public spaces	3.6	December 2013
Crowne Plaza Dallas Near Galleria – Addison	Renovation of rooms and public spaces	3.5	March 2019
The Westin Sacramento	Rooms renovation and softgoods replacement	2.7	December 2015
Holiday Inn Hotel & Suites Anaheim	Light cosmetic renovation and addition of a "splash zone" water park	1.8	April 2017
Crowne Plaza Danbury	Elevator modernisation	0.3	December 2018

Selected case studies of capital expenditure:

Case Study 1: The Queen Mary Long Beach

Renovated and Reopened Restaurant – Promenade Café

Renovated and Reopened Restaurant – Sir Winston Restaurant

Asset Management Initiatives – US$23.5 million invested

- Negotiated a revised ground lease with the City of Long Beach extending the term significantly, and ensuring capital expenditure contributions by the City; negotiated a US$23.5 million advance of capital from the City for capital expenditure works.

- Revitalised unutilised areas to improve revenue streams, including the Ghost and Legends tour, which is one of the most popular tours on the ship.

- Renovated a 45,000 sq ft Exhibit Hall capable of hosting large events on the ship.

- Renovated the Veranda Grill meeting space which is a popular venue for weddings and dinner gatherings.

- Renovated and reopened two restaurants.

- Negotiated a revised and more favorable split of parking revenues with Carnival Cruise Line who sub-leases a parking garage.

- Broadened events business by securing a lucrative contract with Goldenvoice, one of the largest concert promoters in the world, worth a minimum of US$1.25 million per annum with additional fees payable per event held.

Case Study 2: Sheraton Pasadena

Before

After

Asset Management Initiatives – US$16.8 million invested

- Acquired the air rights previously leased from the City of Pasadena to reduce rental expense and fixed cost by US$480,000 per annum.

- Full renovation of guestrooms, meeting space, public spaces and restaurant began in May 2017 and is expected to be completed by May 2019.

- New airline contract worth US$1.9 million per annum expected to be secured after the completion of renovations.

Case Study 3: Four Points by Sheraton San Jose Airport

Before	After

Asset Management Initiatives – US$6.3 million invested

- Re-branded from independent hotel to Four Points by Sheraton.
- Full renovation of guestrooms, meeting space, public spaces and restaurant began in June 2013 and completed in March 2016.
- Post renovation and rebranding, signed multiple airline contracts worth US$1.9 million per annum.

Case Study 4: Holiday Inn Hotel & Suites San Mateo

Before	After

Asset Management Initiatives – US$5.6 million invested

- Rebranded from Comfort Inn to higher value Holiday Inn for two out of three buildings; remaining building (47 rooms) expected to commence renovation and rebrand in 2021.
- Full renovation of guestrooms, meeting space, public spaces and restaurant began in October 2013 and completed in December 2017.
- Post renovation and rebranding, signed a new airline contract worth US$2.0 million per annum.

4. Multiple visible growth drivers

a. Ramp-up from 77.2%[1] of portfolio refurbished since 2018

The Initial Portfolio achieved RevPAR growth of 8.2% in FY2018, while the Revenue Generation Index (which measures performance against each of the assets' specific competitive sets) improved from 92.1 to 97.4 (on a total portfolio basis).

The better performance was partly driven by recently completed capital expenditure works, and the REIT Manager expects further growth in the near term as many properties continue to stabilise post the completion of refurbishment works in FY2018. The growth in RevPAR for Forecast Period 2019 is expected to be mainly driven by organic market growth, additional rooms after completion of renovation works in FY2018, contracts entered into with corporate clients and government agencies and better revenue management. The growth in RevPAR for Projection Year 2020 is expected to be mainly driven by organic market growth.

Initial Portfolio	FY2016	FY2017	FY2018	Forecast Period 2019 (1 May 2019 to 31 December 2019)	Projection Year 2020
ADR[2] (US$)	124.9	125.8	127.7	137.3	144.0
Occupancy Rate[3]	69.8%	69.0%	73.6%	78.5%	76.8%
RevPAR (US$)[4]	87.2	86.8	93.9	107.7	110.6
RGI[5]	93.3	92.1	97.4	N.A.	N.A.

1 Based on the Adopted Value of the Initial Portfolio.

2 Computed based on the total room revenue of the Hotels divided by the total number of rooms sold at the Hotels for the relevant period.

3 Computed based on the total number of rooms sold at the Hotels divided by the total number of available rooms at the Hotels for the relevant period.

4 Computed based on the total room revenue of the Hotels divided by the total number of available rooms at the Hotels for the relevant period.

5 Revenue Generation Index ("**RGI**"), as provided by the Independent Market Research Consultant and computed based on each Hotel's RevPAR divided by the RevPAR of its competitive set. At the aggregate Initial Portfolio level, the weighted average RGI by room count is used.

b. Further growth from asset enhancements

The table below describes the asset enhancements that have been identified by the REIT Manager to be undertaken after the Listing Date.

Property	Work Description	Estimated Amount Outstanding post Listing (US$ million)	Estimated Start Date	Estimated Completion Date
Crowne Plaza Dallas Near Galleria-Addison(1)	Full renovation of rooms and public spaces	4.5	2021	2022
Holiday Inn Hotel & Suites San Mateo(2)	Renovation of public spaces including restaurant, lounge and lobby area	3.4	2019	2020
Sheraton Denver Tech Center(3)	Soft goods renovation	2.5	2019	2021
Hilton Houston Galleria Area(1)	Renovation for rebranding into a Doubletree by Hilton	1.5	2019	2019
Doubletree by Hilton Salt Lake City Airport(3)	Renovation of rooms and public spaces	0.5	2019	2019
Holiday Inn Resort Orlando Suites – Waterpark(3)	Renovation of one restaurant	0.2	2019	2019

Notes:

(1) For purposes of funding such asset enhancement works, part of the purchase consideration for the Properties (equivalent to the amount required to be set aside in a PIP reserve account with the relevant ASAP Mortgage Loan Lender (as defined herein) of the ASAP Mortgage Loans (as defined herein) for Crowne Plaza Dallas Near Galleria-Addison and Hilton Houston Galleria Area) would be paid to such account with the relevant ASAP Mortgage Loan and can be drawn on by the relevant ASAP Mortgage Borrower (as defined herein) under the relevant ASAP Mortgage Loans.

(2) Such asset enhancement works would be funded from the CIF Reserve (as defined herein) and/or working capital.

(3) For purposes of funding such asset enhancement works, part of the purchase consideration for the Properties (equivalent to the estimated amount of capital expenditures outstanding) would be retained in an escrow account under the name(s) of the REIT Trustee and/or the subsidiaries of EH-REIT. The Managers will have control over the escrow account for any draw down to fund such asset enhancement works. The Vendors have agreed to issue promissory notes to subsidiaries of EH-REIT (the "**Cap Ex Notes**") pursuant to the Securities Purchase Agreement with respect to this amount.

In addition, the REIT Manager has identified potential medium term asset and revenue enhancement opportunities in the Initial Portfolio as set out below.

The Queen Mary Long Beach

- Renovate rooms and public spaces

- Entitling surrounding lands (Queen Mary Island) for development, offering valuable sub-lease opportunities

- Further collaboration with Goldenvoice (one of the largest concert promoters in the world)

Holiday Inn Resort Orlando Suites – Waterpark

- Utilise public spaces by hosting e-gaming tournaments and other events

- Divide hotel into two sections – one for family and tour groups, and the other for corporate travellers, driving stronger group business in off-peak seasons

Holiday Inn Hotel & Suites San Mateo (2021, US$6 million)

- Select a brand for the third building that maximises return-on-investment

- Create additional meeting space driving group and banquet revenues

c. Potential acquisition opportunities – two pipeline assets coupled with sourcing capabilities of Founders and Managers

As at the Latest Practicable Date, Ramada Hialeah is subject to the Founder ROFRs (as defined herein) and is expected to be offered to EHT in accordance with the Founder ROFRs.

Ramada Hialeah is a 224-room hotel located in Miami, Florida, just seven miles from Miami International Airport, and approximately 25 minutes to the world-renowned South Beach area of Miami Beach. The hotel is in a prime spot off Route 826, and in close proximity to popular shopping destinations.

Other than Ramada Hialeah, the Sponsor has access to a robust pipeline of assets which could be potential acquisition opportunities for EHT. The Sponsor continues to have an interest in one other hotel property and other hotel developments which currently do not qualify as Founder ROFRs, including The Wagner at the Battery, and is responsible for asset management, including overseeing the operations, financing and investment exit strategies of such hotel properties.

The Wagner at the Battery is a 298-room hotel located in lower Manhattan in New York City, New York, close to famous attractions such as Wall Street and the One World Trade Center tower and memorial site. While operating as an independent brand, it was initially built as a Ritz-Carlton hotel to 5-star standards. This waterfront hotel offers stunning city and ocean views, and top-tier amenities including a restaurant, lounge, business centre, and fitness centre.

Both Ramada Hialeah and The Wagner at the Battery have not been included in the Initial Portfolio as Ramada Hialeah is being redeveloped, and the interest in The Wagner at the Battery was only recently acquired by the Sponsor. The other hotel developments are not included in the Initial Portfolio because they are under various stages of entitlement and development and hence are not yet income-producing to be included in the Initial Portfolio. Accordingly, these properties are intended to be offered to EHT only when they mature and stabilise, where Stapled Securityholders would be able to benefit from the growth upside and the stable rental income of these properties.

5. Well-structured for stability and growth

a. Master Lease Agreements with fixed and variable rent components

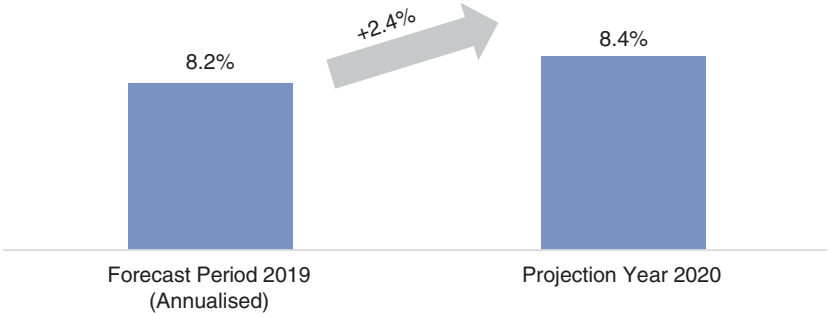
Under each Master Lease Agreement (as defined herein), EH-REIT will receive rental payments with fixed and variable rent components ("**Fixed Rent**" and "**Variable Rent**" respectively). Each Master Lessee will provide a security deposit to EH-REIT, by way of cash or letter of credit of an amount equivalent to nine months of Fixed Rent.

The Fixed Rent represents 66.0% of EH-REIT's total rent for Projection Year 2020, providing downside protection. It is expected to be sufficient to cover fixed costs, including landlord expenses (comprising property tax and property insurance), finance costs and other expenses.

The Variable Rent is pegged to Gross Operating Revenue and Gross Operating Profit, providing upside growth exposure. In particular, 71.3% of Variable Rent for Projection Year 2020 is pegged to GOR, which provides EH-REIT with full upside from RevPAR and non-room revenue growth, with no exposure to margin volatility, further improving EH-REIT's cashflow stability compared to directly-operated assets.

The chart below sets out the distribution yields of EHT for the Forecast Period 2019 and the Projection Year 2020[1].

Forecast and Projected Distribution Yields



b. Prudent capital structure

As at the Listing Date, EHT is expected to have Aggregate Leverage (as defined herein) of approximately 38.0%, which provides debt headroom of approximately US$170 million[2] for future capital expenditure or acquisitions.

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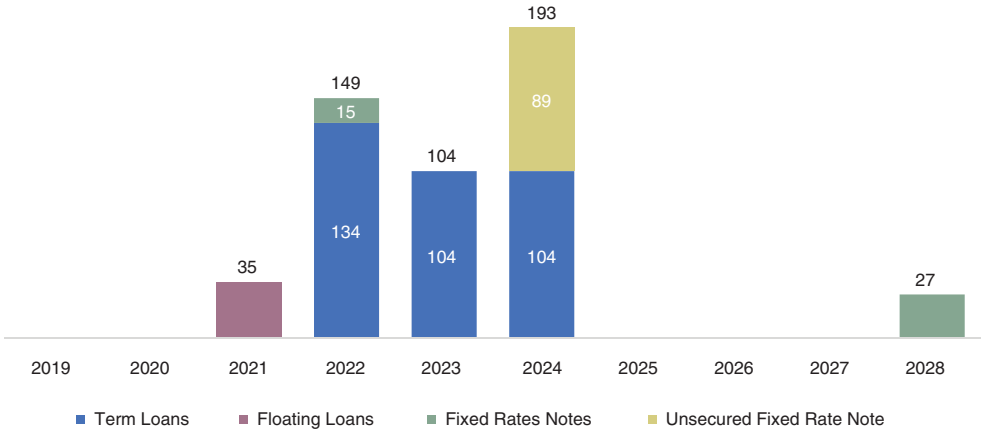
1 Such yields will vary accordingly to the extent that the Listing Date is later than 1 May 2019, or for investors who purchase the Stapled Securities in the secondary market at a market price different from the Offering Price. The forecast and projected results for Forecast Period 2019 and Projection Year 2020 (the "**Profit Forecast and Profit Projection**") from which this information is extracted are based on the various assumptions set out in the section titled "Profit Forecast and Profit Projection". There can be no assurance that the Profit Forecast and Profit Projection will be met and the actual yields per Stapled Security may be materially different from the forecast and projected amounts. While a profit forecast has been prepared for Forecast Period 2019, being the period commencing from 1 May 2019 and ending 31 December 2019, it should be noted that due to the seasonal nature of the hospitality business, the financial performance of the Properties may not be comparable and consistent quarter-to-quarter. Hence, comparisons between the financial performance of the Properties for Forecast Period 2019 and Projection Year 2020 are unlikely to provide accurate reflections of the expected changes in EH-REIT's financial performance from 2019 to 2020.

2 Debt headroom computed based on the maximum Aggregate Leverage permitted under the Property Funds Appendix of 45.0%.

In addition, EHT has a well-spread debt maturity profile with a weighted average debt maturity of approximately 4.2 years. All of EHT's borrowings are denominated in U.S. dollars, which matches the currency of EHT's income and assets. The REIT Manager is also expected to enter into interest rate hedging instruments to mitigate interest rate volatility on at least 75.0% of its borrowings.

Debt Maturity Profile (US$ million)



6. Committed Sponsor and management team with established track record

a. Sponsor with 10-year track record of hotel acquisitions and intensive asset management

The Sponsor of EHT is Urban Commons, LLC, a privately-held real estate investment and development firm which managed the USHI Portfolio and has a focus on the U.S. real estate lodging market. The Sponsor was co-founded by Howard Wu and Taylor Woods in 2008, who are the Chairman and Deputy Chairman of the Managers respectively.

The Sponsor is based in Los Angeles and has approximately 30 employees responsible for its business activities including acquisitions, development, finance, accounting and asset management.

Howard Wu has over 10 years of real estate acquisition and development experience, with an emphasis on the densely populated California market. Howard Wu's expertise and niche is acquiring undervalued and mismanaged hospitality assets and dramatically increasing the value of these properties through repositioning, asset enhancement and professional management. He has completed numerous ground up real estate acquisitions and developments, including securing and enhancing the entitlement of raw land; developing residential subdivisions, apartment complexes, and condominium towers; building commercial, retail, entertainment, restaurant, hotels and destination complexes; designing and planning commercial properties and commerce centres from the ground up; overseeing all contractors, consultants, architects, engineers, planners designers; and working closely with cities and municipalities to enhance communities. He emphasises a 'value-add' approach across real estate investments, including repurposing spaces to capture additional revenue opportunities, renovating and rebranding properties where a better fit with the local market and demographic exists, securing key group contracts and implementing other revenue management initiatives, and pursuing cost mitigation opportunities such as through the renegotiation or buyout of significant leases. As co-founder and Principal of the

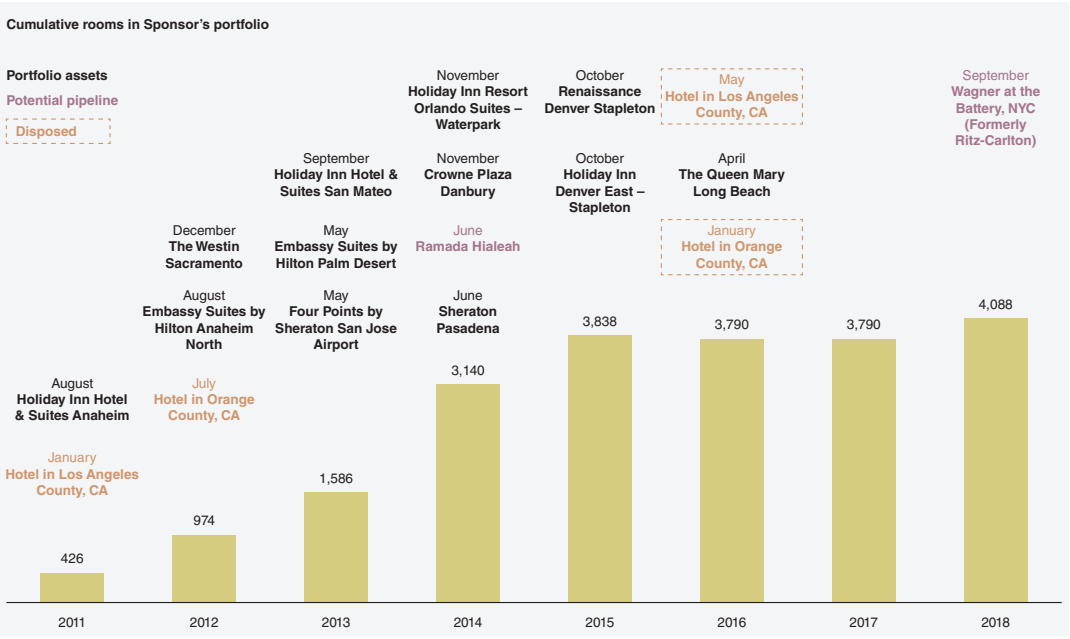
Sponsor, Howard Wu has demonstrated capability to grow the Sponsor by significantly expanding its portfolio when markets are slowing or declining, as well as to develop and acquire targeted assets in strategic markets when markets are expanding or recovering.

Taylor Woods has over 22 years of real estate experience in the U.S. As a co-founder and Principal of the Sponsor, Taylor Woods's primary focus has been to build and to foster relationships with financial institutions, lenders and bankers, franchisors and affiliated companies; analysts, consultants and advisors, and in overseeing the corporate identity and strategic direction of the company. From 2006 to 2011, he was president of Genpact Mortgage Services, LLC, a subsidiary of Genpact Limited (formerly GE Capital International Services). Genpact Mortgage Services, LLC is a mortgage technology and origination outsourcing company in the United States, which provides end-to-end outsourced mortgage services, offering a comprehensive origination and secondary marketing solution on a private-label basis to more than 50 banks across the U.S. From 1996 to 2006, he was co-founder and principal of Moneyline Lending Services, LLC, a real estate-focused banking, technology, and outsourcing firm, and was responsible for developing leading edge technology designed to support the outsourcing and fulfilment needs for a range of banking and financial institution clients, and for their customers, across the United States, and which he ultimately sold.

The Sponsor, through its Founders, has a proven track record of stabilising the operations of underperforming or loss-making hotels and transforming the operational and financial performance over various market cycles. The Founders have established and cultivated a wide network of hotel industry contacts, particularly in the U.S., which include owners of hotels, independent hotel managers, global hotel brands, institutional financiers and investors, and real estate brokers that provide a multifaceted sourcing channel for future acquisition opportunities.

The Sponsor also currently manages and/or owns numerous properties under various stages of entitlement and development, spanning hospitality, multifamily, retail and assisted living.

The milestones and track record of the Sponsor are set out below:



b. Founders to own 15.2% stake in EHT, by rolling forward their common equity in the USHI Portfolio into EHT

Howard Wu and Taylor Woods, the Founders and co-owners of the Sponsor which managed the USHI Portfolio, have interests that are well-aligned with the other Stapled Securityholders of EHT, and are committed long-term investors in EHT.

They are rolling forward 100% of their common equity in the USHI Portfolio[1] by receiving the purchase consideration in the form of Stapled Securities of EHT, due to their belief in the long term performance of the underlying properties.

As a result, they will collectively hold an aggregate of 15.2% of the total number of Stapled Securities in issue (assuming the Over-Allotment Option is not exercised) or 10.9% of the total number of Stapled Securities in issue (assuming the Over-Allotment Option is exercised in full).

Each of Howard Wu, Taylor Woods, and their respective wholly owned entities which will hold Stapled Securities has also agreed to a lock-up arrangement for their Stapled Securities (the "**Lock-up Stapled Securities**") during the period commencing from the date of issuance of the Stapled Securities until the date falling six months after the Listing Date (both dates inclusive) (the "**First Lock-up Period**") and a lock-up arrangement in respect of 50.0% of such Lock-up Stapled Securities during the period immediately following the First Lock-up Period until the date falling 12 months after the Listing Date (the "**Second Lock-up Period**", and together with First Lock-up Period, the "**Lock-up Period**").

The management fees of the Managers ("**Management Fees**") are also structured to incentivise the Managers to provide Stapled Securityholders with stable and growing distributions. The Management Fees include a base fee of 10.0% of the Annual Distributable Income (as defined herein) (the "**Base Fee**"), and an annual performance fee of 25.0% of the growth in DPS over the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year (the "**Performance Fee**").

c. Experienced management team and board of directors

The REIT Manager has employed experienced professionals with relevant track record in investment, hotel management, financial accounting, treasury and communications. The team comprises senior executives who have on average 20 years of real estate, hospitality and finance experience. Collectively, the team has accumulated deep skillsets in acquisition, development, financing, branding and real estate asset management, with a focus on hospitality assets.

In particular, the Chief Executive Officer and President, and the Chief Operating Officer have established and cultivated a wide network of hotel industry contacts, particularly in the U.S., which include owners of hotels, independent hotel managers, global hotel brands, institutional financiers and investors, and real estate brokers that provide a multifaceted sourcing channel for future acquisition opportunities.

1 Assuming that the Over-Allotment Option is not exercised. The Over-Allotment Option is granted by the Stapled Security Lender, which is wholly owned by Howard Wu. See "Plan of Distribution – Over-Allotment and Stabilisation" for more details.

The Chief Executive Officer and President, Salvatore G. Takoushian, has extensive experience advising lodging and real estate companies in strategic and financial matters with over 16 years of experience in investment banking. He has managed the execution of public and private capital raises in excess of US$25 billion, including significant U.S. REIT initial public offering experience, and more than US$20 billion of merger and acquisitions transactions.

The Chief Operating Officer, John Bovian Jenkins Jr, has over 35 years of experience in the U.S. hospitality sector, where he has been responsible for managing and overseeing the day-to-day operations of various hotels and has held various positions through the ranks.

The Senior Vice President of Finance, Cheah Zhuo Yue, Joel, has over 11 years of experience in finance and investments and was with the REIT manager of a SGX-listed REIT between 2011 and 2016 responsible for all treasury matters and portfolio risk management.

The Head of Investor Relations, Goh Lilian, has more than 20 years of experience in marketing, corporate communications and investor relations. Prior to joining the REIT Manager, she was responsible for managing communications and investor relations for two other SGX-listed hospitality trusts.

The key executive officers of the REIT Manager are complemented by a board of directors who have vast experience in real estate investment and development, corporate management, accountancy and hospitality-related sectors. In particular, each of the four independent directors of the Managers has prior board of director experience with at least one other REIT manager managing a SGX-listed REIT.

KEY STRATEGIES

EH-REIT's Strategy

The REIT Manager plans to achieve its objectives through the following key strategies:

- **Proactive asset management and asset enhancement strategy –** The REIT Manager will work with the Master Lessees and Hotel Managers to implement pro-active measures to enhance the properties of EHT and to improve their operational performance, so as to optimise the cash flow and value of the Properties. Through such active management, the REIT Manager seeks to improve overall occupancy rates and RevPAR, as well as to create a better lodging experience for its clientele.

- **Investments and acquisition growth strategy –** The REIT Manager will source suitable asset acquisition opportunities, which will provide attractive cash flows and yields, satisfying the REIT Manager's investment mandate for EHT to enhance the returns to Stapled Securityholders and to capture opportunities for future income and capital growth.

- **Capital management strategy –** The REIT Manager will endeavour to employ an appropriate combination of debt and equity to fund acquisitions and asset enhancements, and adopt a prudent approach to capital management to optimise risk-adjusted returns to Stapled Securityholders.

(See "Strategy" for further details.)

CERTAIN INFORMATION ON THE PROPERTIES

The table below sets out certain information with respect to each of the Hotels under the Initial Portfolio as at 31 December 2018:

S/N	Hotel	Location	Type of Hotel	Land Tenure	Number of Available Rooms	Occupancy Rate (FY2018)	RevPAR (FY2018) (US$)	Adopted Valuation[1] (US$' m)	Purchase Consideration (US$' m)	Capital Expenditure Spent Since 2013 (US$' m)	Approx. GFA (sq m)	Fixed Rent (per annum)[5] (US$' m)	Variable Rent (% of GOR)[5]	Variable Rent (% of GOP)[5]	Hotel Franchisor
1.	Sheraton Pasadena	Pasadena, California	Upper Upscale	Freehold	311	76.8%	129.8	114.2	100.1	16.8	14,710	4.2	22.0%	24.0%	Marriott
2.	Holiday Inn Hotel & Suites Anaheim	Anaheim, California	Upper Midscale	Freehold	255	86.4%	112.7	77.9	68.3	1.8	15,590	3.0	26.0%	25.0%	IHG
3.	Embassy Suites by Hilton Anaheim North	Anaheim, California	Upper Upscale	Freehold	223	81.1%	121.4	50.8	44.5	9.3	18,195	2.1	20.0%	17.0%	HWHI
4.	Holiday Inn Hotel & Suites San Mateo[2]	San Mateo, California	Upper Midscale	Freehold	219	76.1%	117.0	76.5	67.1	5.6	5,730	3.3	28.0%	29.0%	IHG
5.	Four Points by Sheraton San Jose Airport	San Jose, California	Upscale	Freehold	195	83.8%	154.7	69.1	60.6	6.3	10,425	2.8	24.0%	24.0%	Marriott
6.	The Westin Sacramento	Sacramento, California	Upper Upscale	Freehold	101	82.6%	167.6	43.6	38.2	2.7	7,935	1.6	23.0%	22.0%	Marriott
7.	Embassy Suites by Hilton Palm Desert	Palm Desert, California	Upper Upscale	Freehold	198	64.1%	93.2	32.1	28.1	9.0	16,240	1.4	18.0%	17.0%	HWHI
8.	The Queen Mary Long Beach	Long Beach, California	Upscale	66 Years Leasehold from 1 Nov 2016	347	69.8%	100.7	159.4	139.7	23.5	92,900	10.4[3]	–	8.0%[4]	Independently operated
9.	Renaissance Denver Stapleton	Denver, Colorado	Upper Upscale	Freehold	400	75.1%	96.2	88.2	77.3	16.8	35,685	3.9	17.0%	24.0%	Marriott
10.	Holiday Inn Denver East – Stapleton	Denver, Colorado	Upper Midscale	Freehold	298	67.3%	68.7	50.6	44.4	10.9	19,350	2.3	20.0%	22.0%	IHG

S/N	Hotel	Location	Type of Hotel	Land Tenure	Number of Available Rooms	Occupancy Rate (FY2018)	RevPAR (FY2018) (US$)	Adopted Valuation[1] (US$' m)	Purchase Consideration (US$' m)	Capital Expenditure Spent Since 2013 (US$' m)	Approx. GFA (sq m)	Fixed Rent (per annum)[5] (US$' m)	Variable Rent (% of GOR)[5]	Variable Rent (% of GOP)[5]	Hotel Franchisor
11.	Sheraton Denver Tech Center	Denver, Colorado	Upper Upscale	Freehold	263	69.1%	81.0	31.7	27.8	3.6	15,360	1.8	16.0%	18.0%	Marriott
12.	Holiday Inn Resort Orlando Suites – Waterpark	Orlando, Florida	Upper Midscale	Freehold	777	70.5%	75.2	162.8	142.7	27.5	55,730	7.5	19.0%	22.0%	IHG
13.	Crowne Plaza Dallas Near Galleria-Addison	Dallas, Texas	Upscale	Freehold	428	61.0%	58.1	57.8	50.7	3.5	31,080	2.5	18.0%	20.0%	IHG
14.	Hilton Houston Galleria Area	Houston, Texas	Upper Upscale	Freehold	292	72.6%	72.5	48.6	42.6	9.7	18,760	2.2	22.0%	20.0%	HWHI
15.	Renaissance Woodbridge	Woodbridge, New Jersey	Upper Upscale	Freehold	312	79.8%	109.4	76.6	67.1	6.3	22,575	3.4	19.0%	19.0%	Marriott
16.	Crowne Plaza Danbury	Danbury, Connecticut	Upscale	Freehold	242	65.2%	62.1	12.0	10.5	0.3	19,180	0.8	10.0%	10.0%	IHG
17.	Doubletree by Hilton Salt Lake City Airport	Salt Lake City, Utah	Upscale	Freehold	288	83.6%	92.4	60.9	53.4	7.6	17,390	2.6	21.0%	22.0%	HWHI
18.	Hilton Atlanta Northeast	Atlanta, Georgia	Upper Upscale	Freehold	271	78.8%	97.4	55.4	48.6	13.0	18,355	2.4	19.0%	20.0%	HWHI

Notes:

(1) Adopted Valuation refers to the independent valuation by HVS (as at 31 December 2018).

(2) Includes a 47-room hotel building located on the site of this Hotel which is currently operating as an independent hotel, though planning is underway to rebrand it under the Holiday Inn or another IHG brand.

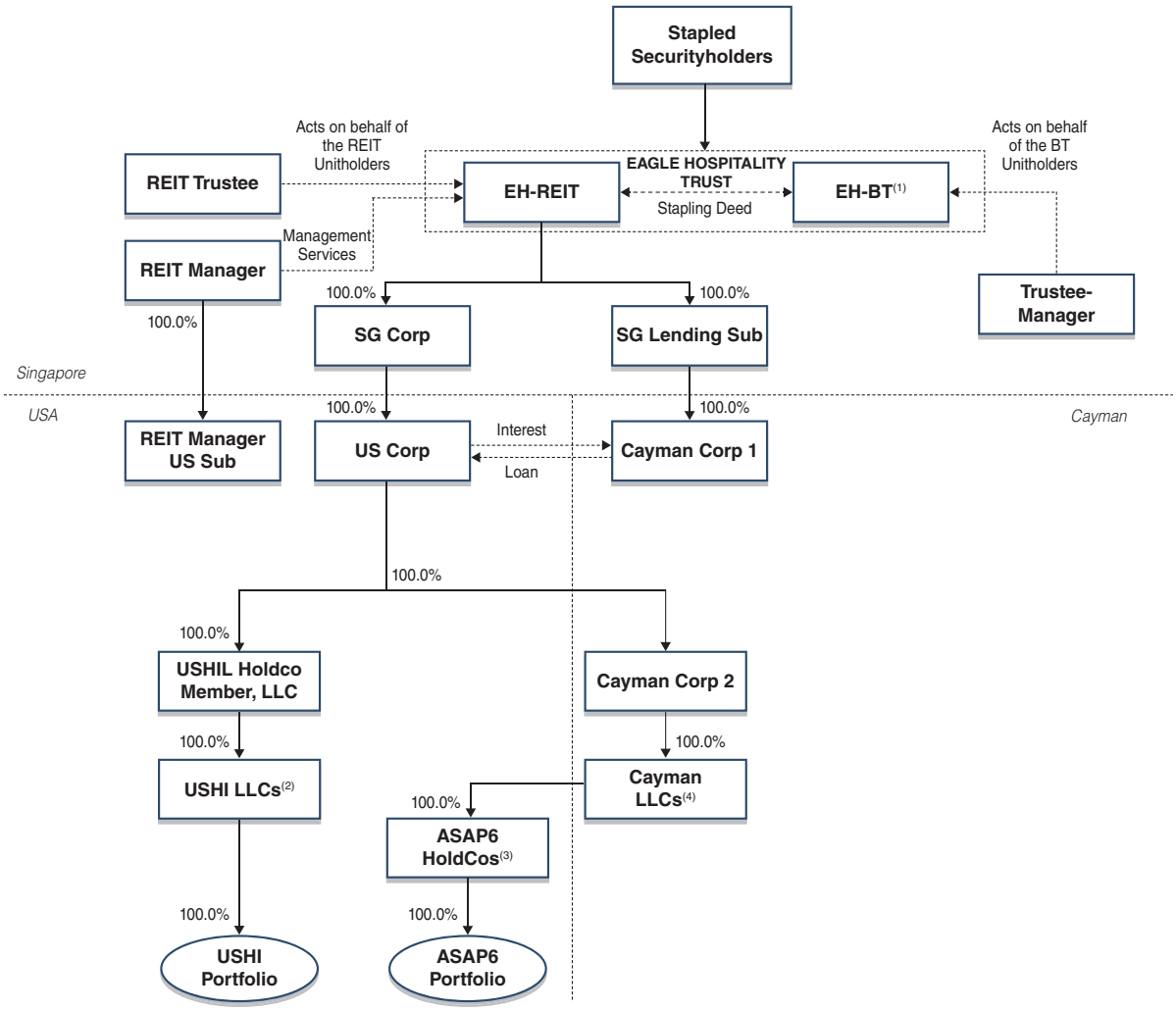
(3) Fixed Rent is US$10.4 million per annum in Forecast Period 2019 with a rental escalation of 2.0% per annum from Projection Year 2020 and onwards.

(4) Variable Rent is 8.0% of Gross Operating Profit, over and above the Fixed Rent component.

(5) Please refer to "Certain Agreements relating to EHT, EH-REIT, EH-BT and the Properties – Master Lease Agreements" for further details of the computation of the rental for each Property.

STRUCTURE OF EHT

The following diagram illustrates the relationship between, among others, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager and Stapled Securityholders as at the Listing Date[1]:



Notes:

(1) Dormant as at the Listing Date. EH-BT will, however, become active if (i) EH-REIT is unable to appoint a master lessee for any of the Properties in its Initial Portfolio at the expiry of the relevant Master Lease Agreement or for a hospitality property newly acquired by EH-REIT, or (ii) EH-BT undertakes certain hospitality and hospitality-related development projects, acquisitions and investments which may be unsuitable for EH-REIT.

(2) USHIL Holdco Member, LLC, indirectly holds the USHI Portfolio (as defined herein) through UCHIDH, LLC, UCF 1, LLC, UCRDH, LLC, Urban Commons Bayshore A, LLC, UCCONT1, LLC, Urban Commons Cordova A, LLC, Urban Commons Highway 111 A, LLC, Urban Commons Anaheim HI, LLC, Urban Commons 4th Street A, LLC, Urban Commons Riverside Blvd., A, LLC, Urban Commons Danbury A, LLC and Urban Commons Queensway, LLC (collectively the "**USHI LLCs**" and each a "**USHI LLC**").

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1 As the Founders do not intend to have a limit on their ownership of Stapled Securities in EHT to be better aligned with the interest of other Stapled Securityholders, no US REIT election was anticipated by the US Corp given that the proposed aggregate Founders' stake of EHT will run a material risk of causing a breach of the ownership requirement/condition, and such ownership requirement/condition is of one of the qualifying conditions US Corp needs to meet if it desires to make a US REIT election. As such the Properties in the Initial Portfolio are to be held by US Corp, through certain underlying companies which are disregarded (i.e., non-taxpaying) entities for U.S. tax purposes. Such disregarded entities include Cayman intermediaries which were acquired as an existing structure along with the ASAP6 Portfolio.

(3) The ASAP6 Portfolio (as defined herein) is directly held by Sky Harbor Atlanta Northeast, LLC, 5151 Wiley Post Way, Salt Lake City, LLC, Sky Harbor Denver Tech Center, LLC, 14315 Midway Road Addison LLC, 6780 Southwest FWY, Houston, LLC and 44 Inn America Woodbridge Associates, LLC (collectively the "**ASAP6 Holdcos**" and each an "**ASAP6 Holdco**"). The ASAP6 Holdcos are in turn held by Atlanta Hotel Holdings, LLC, ASAP Salt Lake City Hotel, LLC, Sky Harbor Denver Holdco, LLC, ASAP DCP Holdings, LLC, ASAP HHG Holdings, LLC and ASAP Woodbridge Hotel Holdings, LLC.

(4) Cayman Corp 2 indirectly holds the ASAP6 Portfolio through ASAP Cayman Atlanta Hotel, LLC, ASAP Cayman Salt Lake City, LLC, ASAP Cayman Denver Tech, LLC, ASAP Cayman Dallas Galleria, LLC, ASAP Cayman Houston Galleria, LLC and ASAP Cayman Woodbridge Hotel, LLC (collectively the "**Cayman LLCs**").

EHT

The EH-REIT Units and EH-BT Units are stapled together under the terms of the stapling deed dated 11 April 2019 entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager (the "**Stapling Deed**") and cannot be traded separately. EHT is regulated by the Stapling Deed, the EH-REIT Trust Deed and the EH-BT Trust Deed (collectively, the "**Deeds**") as well as any legislation and regulations governing EHT, EH-REIT and EH-BT.

EH-REIT

EH-REIT is constituted by a trust deed dated 11 April 2019 (the "**EH-REIT Trust Deed**"). It is principally regulated by the SFA, the CIS Code, including the Property Funds Appendix, other relevant regulations as well as the Stapling Deed and the EH-REIT Trust Deed.

EH-BT

EH-BT is constituted by a trust deed dated 11 April 2019 (the "**EH-BT Trust Deed**"). It is principally regulated by the BTA, the SFA, and other relevant legislation and regulations, as well as the Stapling Deed and the EH-BT Trust Deed.

As at the Listing Date, EH-BT will be dormant. It will, however, become active if any of the following occurs:

- it is appointed by EH-REIT, in the absence of any other master lessee(s) being appointed, as a Master Lessee of one of the Properties. EH-BT exists primarily as "a master lessee of last resort";

- EH-REIT acquires hotels in the future, and, if there are no other suitable master lessees, EH-REIT will lease these acquired hotels to EH-BT. EH-BT will then become a master lessee for that hotel and will appoint a Hotel Manager to manage that hotel, where such hotel management fees will be borne by the EH-BT (as master lessee); or

- it undertakes certain hospitality and hospitality-related development projects, acquisitions and investments which may not be suitable for EH-REIT.

- In general, EH-BT will be considered to be active in the event that it carries on any business activity other than:

  – activities which EH-BT is required to carry out by any applicable law, regulation, rule or directive of any agency, regulatory or supervisory body, or listing rule of the SGX-ST or any other relevant recognised stock exchange;

– the lending or utilisation of any proceeds raised by the listing of EH-BT or the lending or utilisation of any proceeds EH-BT is allotted from the listing of EHT; and

– equity fund-raising activities and issue of EH-BT Units carried out in conjunction with EH-REIT which are solely for the purposes of funding EH-REIT's business activities.

When EH-BT becomes active, the Trustee-Manager intends, where appropriate, to manage the exposure arising from adverse market movements in interest rates through appropriate hedging strategies. Upon EH-BT becoming active, appropriate internal controls would be put in place. EH-REIT will not guarantee any debt of EH-BT, and *vice versa.* This will help to shield each entity from the other's financial obligations because each entity's creditors will not have recourse to the other.

The Sponsor

The sponsor of EHT is Urban Commons, LLC. Founded in 2008, the Sponsor is a privately-held real estate investment and development firm which managed the USHI Portfolio (prior to being acquired by EHT) and is active across a range of property types with an emphasis on hotels. The Sponsor currently has approximately 30 employees. The Sponsor aims to deliver strong risk adjusted returns through adopting a value-add investment strategy across the real estate value chain with a focus on hotel assets located in top-tier US metropolitan statistical areas. It contracts with global franchisors and brands with strong distribution capabilities, such as HWHI, IHG and Marriott. (See "The Sponsor" for further details.)

The REIT Manager: Eagle Hospitality REIT Management Pte. Ltd.

The REIT Manager is incorporated in Singapore under the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") on 30 August 2018. As at the Latest Practicable Date, it has an issued and paid-up capital of S$1.0 million and its registered office is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The REIT Manager is indirectly 51% owned by Howard Wu and 49% owned by Taylor Woods.

The REIT Manager has been issued a capital markets services licence for REIT management (the "**CMS Licence**") pursuant to the SFA on 7 May 2019.

The REIT Manager has general powers of management over the assets of EH-REIT. The REIT Manager's main responsibility is to manage EH-REIT's assets and liabilities for the benefit of the holders of EH-REIT Units. The REIT Manager will set the strategic direction of EH-REIT and give recommendations to the REIT Trustee on the acquisition, divestment, development and/or enhancement of the assets of EH-REIT in accordance with its stated investment strategy.

The REIT Manager has incorporated a wholly-owned subsidiary in the US (the "**REIT Manager US Sub**") so that to the extent activities of the REIT Manager would be required to be performed within the United States, those activities will be delegated to the REIT Manager US Sub. The scope of activities which the REIT Manager US Sub will be undertaking will cover, among others, the U.S. specific investment and asset management oversight services of the REIT Manager which need to take place in the United States, such as meeting and negotiating with potential vendors, inspecting properties and performing oversight over the U.S. service providers. Such services in the US will be provided by the REIT Manager US Sub pursuant to a services agreement between the REIT Manager, the REIT Manager US Sub and US Corp (the "**REIT Manager US Services Agreement**") under which a portion of the Management Fee payable to the REIT Manager shall be allocated to be paid by US Corp to the REIT Manager US Sub. Any fees payable to the REIT

Manager US Sub by US Corp thereunder shall be deducted from the Management Fees payable by the REIT Trustee to the REIT Manager by an equivalent amount so that there is no double counting.

The REIT Trustee: DBS Trustee Limited

The trustee of EH-REIT is DBS Trustee Limited. The REIT Trustee is a company incorporated in Singapore and licensed as a trust company under the Trust Companies Act 2005, Chapter 336 of Singapore (the "**Trust Companies Act**"). It is approved to act as a trustee for authorised collective investment schemes under the SFA. As at the date of this Prospectus, the REIT Trustee has a paid-up capital of S$2.5 million. The REIT Trustee has its place of business in Singapore at 12 Marina Boulevard, Level 44, Marina Bay Financial Centre Tower 3, Singapore 018982.

The REIT Trustee acts as trustee of EH-REIT and, in such capacity, holds the assets of EH-REIT on trust for the benefit of the holders of EH-REIT Units, safeguards the rights and interests of the holders of EH-REIT Units and exercises all the powers of a trustee and the powers accompanying ownership of the properties in EH-REIT.

(See "The Formation and Structure of EHT, EH-REIT and EH-BT" for further details.)

The Trustee-Manager: Eagle Hospitality Business Trust Management Pte. Ltd.

The Trustee-Manager is incorporated in Singapore under the Companies Act on 30 August 2018. As at the Latest Practicable Date, it has an issued and paid-up capital of S$1.00 and its registered office is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The Trustee-Manager is indirectly 51% owned by Howard Wu and 49% owned by Taylor Woods.

The Trustee-Manager has the dual responsibilities of safeguarding the interests of the holders of EH-BT Units and managing the business conducted by EH-BT. The Trustee-Manager has general powers of management over the business and assets of EH-BT and its main responsibility is to manage EH-BT's assets and liabilities for the benefit of the holders of EH-BT Units as a whole.

As at the Listing Date, EH-BT will be dormant. It will, however, become active if (i) EH-REIT is unable to appoint a master lessee for any of the Properties in its Initial Portfolio at the expiry of the relevant Master Lease Agreement or for a hospitality property newly acquired by EH-REIT, or (ii) EH-BT undertakes certain hospitality and hospitality-related development projects, acquisitions and investments which may be unsuitable for EH-REIT.

(See "The Formation and Structure of EHT, EH-REIT and EH-BT" for further details.)

The Vendors and the Master Lessees

The vendor of the USHI Portfolio is U.S. Hospitality Investments LLC (the "**USHI Portfolio Vendor**"), whose common equity interests are indirectly owned by each of the Founders in the proportion 50:50. The Properties comprising the USHI Portfolio are (i) Sheraton Pasadena, (ii) Holiday Inn Hotel & Suites Anaheim, (iii) Embassy Suites by Hilton Anaheim North, (iv) Holiday Inn Hotel & Suites San Mateo, (v) Four Points by Sheraton San Jose Airport, (vi) The Westin Sacramento, (vii) Embassy Suites by Hilton Palm Desert, (viii) The Queen Mary Long Beach, (ix) Renaissance Denver Stapleton, (x) Holiday Inn Denver East – Stapleton, (xi) Holiday Inn Resort Orlando Suites – Waterpark and (xii) Crowne Plaza Danbury (collectively, the "**USHI Portfolio**").

The vendors of the ASAP6 Portfolio, MWCI, LLC and CWCI, LLC (the "**ASAP6 Portfolio Vendors**", together with the USHI Portfolio Vendor as the "**Vendors**"), are wholly owned by

Howard Wu and Taylor Woods respectively, and each directly owns 50% of the equity interests in Cayman Corp 2, such that the equity interests in the ASAP6 Portfolio are indirectly owned by each of the Founders in the proportion 50:50. The ASAP6 Portfolio Vendors have acquired the ASAP6 Portfolio from the existing third party owners of the ASAP6 Portfolio (collectively, the "**Third Party ASAP6 Portfolio Vendors**") (see "Overview of the Acquisition of the Properties – Acquisition of the ASAP6 Portfolio" for further details). The Properties comprising the ASAP6 Portfolio are (i) Sheraton Denver Tech Center, (ii) Crowne Plaza Dallas Near Galleria-Addison, (iii) Hilton Houston Galleria Area, (iv) Renaissance Woodbridge, (v) Doubletree by Hilton Salt Lake City Airport and (vi) Hilton Atlanta Northeast (collectively, the "**ASAP6 Portfolio**").

Securities Purchase Agreement

The REIT Trustee, the USHI Portfolio Vendor and the ASAP6 Portfolio Vendors have on 25 April 2019 entered into a securities purchase agreement (as supplemented) (the "**Securities Purchase Agreement**") for the REIT Trustee to acquire the USHI Portfolio from the USHI Portfolio Vendor and the ASAP6 Portfolio from the ASAP6 Portfolio Vendors, via the acquisition of USHIL Holdco Member, LLC ("**USHIL Holdco**"), which indirectly holds the USHI Portfolio, and CI Hospitality Investment, LLC ("**Cayman Corp 2**"), which indirectly holds the ASAP6 Portfolio, respectively. Then, following a series of assignments and intercompany loans and fund transfers that will occur at the closing, 100% of the interests in USHIL Holdco and Cayman Corp 2 will be owned by EHT US1, Inc ("**US Corp**"), a newly incorporated US corporation wholly owned by EH-REIT through Eagle Hospitality Trust S1 Pte. Ltd. ("**SG Corp**"), a newly incorporated Singapore company wholly owned by EH-REIT.

Master Lease Agreements

Pursuant to the master lease agreement to be entered into between the subsidiary of EH-REIT that directly owns each Property and the relevant Master Lessee (each a "**Master Lease Agreement**"), the applicable subsidiary will receive rental payment for each Property from the relevant Master Lessee comprising (i) a Fixed Rent and (ii) a Variable Rent. Each Master Lessee is an indirect wholly owned subsidiary of the Sponsor.

Each of the Master Lease Agreements has an initial term of 20 years from the Listing Date with an option exercisable by the relevant Master Lessee to obtain an additional lease for a further 14 years for all Properties located in California and 20 years for all other Properties located elsewhere on the same terms and conditions (save for amendments required due to any change in law).

(See "Certain Agreements Relating to EHT, EH-REIT, EH-BT and the Properties – Master Lease Agreements" for further details on the Master Lease Agreements.)

The Hotel Managers and the Hotel Franchisors

Each Hotel, except The Queen Mary Long Beach, is operated under a brand owned by one of the Hotel Franchisors pursuant to the franchise agreements between the applicable Hotel Franchisor and the Master Lessee (the "**Franchise Agreements**" and each a "**Franchise Agreement**") and the day-to-day operations of each Hotel are managed by a third party hotel management company (each, a "**Hotel Manager**") pursuant to hotel management agreements between the applicable Master Lessee and the Hotel Manager (the "**Hotel Management Agreements**" and each a "**Hotel Management Agreement**"). The Master Lessees will enter into or receive assignments of franchise agreements and hotel management agreements with the Hotel Franchisors and the Hotel Managers (as applicable) relating to the Hotels set forth in the table below. The Master

Lessee is the counterparty under each Franchise Agreement and Hotel Management Agreement and is therefore responsible for the payment of the fees to the Hotel Franchisors and the Hotel Managers.

Name of Hotel	Hotel Franchisor Parent	Hotel Brand	Hotel Manager
Sheraton Pasadena	Marriott	Sheraton	Brighton Management, LLC[1]
Holiday Inn Hotel & Suites Anaheim	IHG	Holiday Inn & Suites	Brighton Management, LLC[1]
Embassy Suites by Hilton Anaheim North	HWHI	Embassy Suites	Brighton Management, LLC[1]
Holiday Inn Hotel & Suites San Mateo	IHG	Holiday Inn & Suites	Brighton Management, LLC[1]
Four Points by Sheraton San Jose Airport	Marriott	Four Points	Brighton Management, LLC[1]
The Westin Sacramento	Marriott	Westin	Brighton Management, LLC[1]
Embassy Suites by Hilton Palm Desert	HWHI	Embassy Suites	Brighton Management, LLC[1]
The Queen Mary Long Beach	N/A	N/A	Evolution Hospitality, LLC
Renaissance Denver Stapleton	Marriott	Renaissance	Pyramid Denver Management LLC
Holiday Inn Denver East – Stapleton	IHG	Holiday Inn	Pyramid Denver Quebec Street Management LLC
Sheraton Denver Tech Center	Marriott	Sheraton	Interstate Management Company, LLC
Holiday Inn Resort Orlando Suites – Waterpark	IHG	Holiday Inn Resorts	Evolution Hospitality, LLC
Crowne Plaza Dallas Near Galleria-Addison	IHG	Crowne Plaza	M&R Hospitality Management Corp
Hilton Houston Galleria Area	HWHI	Hilton	Pyramid HHG Management LLC
Renaissance Woodbridge	Marriott	Renaissance	Pyramid Woodbridge Management LLC
Crowne Plaza Danbury	IHG	Crowne Plaza	Pyramid Danbury Management LLC
Doubletree by Hilton Salt Lake City Airport	HWHI	Doubletree by Hilton	Pyramid Salt Lake Management LLC
Hilton Atlanta Northeast	HWHI	Hilton	Crestline Hotels & Resorts, LLC

1 Prior to Listing or shortly after Listing, the USHI Portfolio Vendor or the Master Lessee of the Hotel, as the case may be, may replace this Hotel Manager. A new Hotel Manager will be appointed, which is expected to be an existing Hotel Manager of one or more properties in the Initial Portfolio and a larger and more established hotel management company.

CERTAIN FEES AND CHARGES

The following is a summary of the amounts of certain fees and charges payable by Stapled Securityholders in connection with the subscription for the Stapled Securities (so long as the Stapled Securities are listed):

	Payable by Stapled Securityholders directly	Amount payable
(a)	Subscription fee or preliminary charge	N.A.(1)
(b)	Realisation fee	N.A.(1)
(c)	Switching fee	N.A.(1)
(d)	Any other fee	Investors in the Placement Tranche may be required to pay brokerage of up to 1.0% of the Offering Price. For trading of the Stapled Securities, investors will pay prevailing brokerage commissions (if applicable) and CDP clearing fee for trading of the Stapled Securities on the SGX-ST at the rate of 0.0325% of the transaction value.

Note:

(1) As the Stapled Securities will be listed and traded on the SGX-ST, and Stapled Securityholders will have no right to request the REIT Manager or the Trustee-Manager to redeem their Stapled Securities (or, for that matter, any corresponding EH-REIT Units and EH-BT Units) while the Stapled Securities are listed, no subscription fee, preliminary charge, realisation fee or switching fee is payable in respect of the Stapled Securities.

The following is a summary of certain fees and charges payable by EH-REIT in connection with the establishment and on-going management of the operations of EH-REIT (see "Management and Corporate Governance" for further details):

	Payable by EH-REIT	Amount payable
(a)	The REIT Manager's management fees	**Base Fee**[1] 10.0% per annum of the Annual Distributable Income (as defined in the EH-REIT Trust Deed and calculated before accounting for the Base Fee and the Performance Fee).

1 There should be no double-counting of fees. In the event that both the REIT Manager and the Trustee-Manager are entitled to the Base Fee, such fees payable to both the REIT Manager and the Trustee-Manager will be apportioned based on the respective proportionate contributions of EH-REIT and EH-BT in the Base Fee.

	Payable by EH-REIT	Amount payable
		Performance Fee Pursuant to Clause 15.1.2 of the EH-REIT Trust Deed, 25.0% per annum of the difference in DPS in a financial year with the DPS in the preceding financial year (calculated before accounting for the Performance Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year (subject to adjustments in certain cases as set out in Schedule 2 of the EH-REIT Trust Deed). The Performance Fee is payable if the DPS in any financial year exceeds the DPS in the preceding financial year, notwithstanding that the DPS in the financial year where the Performance Fee is payable may be less than the DPS in the financial year prior to the preceding financial year[1]. For the avoidance of doubt, where the DPS in a financial year is less than the DPS in any preceding financial year, the REIT Manager shall not be required to return any Performance Fee paid to it in any preceding financial year. For illustrative purposes only, the following sets out an example of the computation of the Performance Fee based on an assumed DPS of 5.0 cents for Year 1 and 6.0 cents for Year 2 and a weighted average number of Stapled Securities of 1,000,000,000: **Notes:** (1) Calculated before accounting for the Performance Fee in the financial year. (2) The Performance Fee is calculated based on the following computation: (6.0 – 5.0) x 1,000,000,000 x 25.0%.

	Year 1	Year 2
DPS (US$ cents)(1)	5.0	6.0
Weighted average number of Stapled Securities (million)	–	1,000
Performance Fee (US$ million)	–	2.5(2)

1 As an illustration, if the DPS is 5.0 cents in Year 1, 4.0 cents in Year 2 and 4.5 cents in Year 3, the Performance Fee is payable in relation to Year 3 as the DPS for Year 3 exceeds Year 2, notwithstanding that the DPS for Year 3 is less than the DPS for Year 1.

	Payable by EH-REIT	Amount payable
		For the purpose of the computation of the Performance Fee only, the DPS shall be calculated based on all income of EHT arising from the operations of EHT, such as, but not limited to, rentals, interest, dividends and other similar payments or income arising from the Authorised Investments (as defined herein) of EHT. For each of Forecast Period 2019 and Projection Year 2020, the difference in DPS shall be the difference in actual DPS in such financial period or financial year with the projected DPS. (See "Profit Forecast and Profit Projection" for further details.) There should be no double-counting of fees. In the event that both the REIT Manager and the Trustee-Manager are entitled to the Performance Fee, such fees payable to both the REIT Manager and the Trustee-Manager will be apportioned based on the respective proportionate contributions of EH-REIT and EH-BT in the Performance Fee. **Management Fees to be paid in cash or Stapled Securities** The Management Fees are payable to the REIT Manager in the form of cash and/or Stapled Securities or, as the case may be, EH-REIT Units (as the REIT Manager may elect), in such proportions as may be determined by the REIT Manager. For Forecast Period 2019 and Projection Year 2020, the REIT Manager has elected to receive 100.0% of the Management Fees in the form of Stapled Securities.
(b)	The REIT Trustee's fee	The REIT Trustee's fee shall not exceed 0.1% per annum of the value of the EH-REIT Deposited Property, subject to a minimum of S$15,000 per month, excluding out-of-pocket expenses and Goods and Services Tax ("**GST**"), in accordance with the EH-REIT Trust Deed. The REIT Trustee's fee is accrued daily and will be paid monthly in arrears in accordance with the EH-REIT Trust Deed. The actual fee payable within the permitted limit will be determined between the REIT Manager and the REIT Trustee from time to time. The REIT Trustee will also be paid a one-time inception fee as may be agreed between the REIT Trustee and the REIT Manager subject to a maximum of up to S$60,000.

	Payable by EH-REIT	Amount payable
(c)	Any other substantial fee or charge (*i.e.* 0.1% or more of the value of the EH-REIT Deposited Property)	
	(i) Acquisition fee (payable to the REIT Manager)	0.75% for acquisitions from Related Parties and 1.0% for all other cases (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting): (i) in the case of an acquisition of real estate, the acquisition price of any real estate purchased by EH-REIT, whether directly or indirectly through a holding of shares, units or any other interests in one or more special purpose vehicles ("**SPVs**"), plus any other payments[1] in addition to the acquisition price made by EH-REIT or its SPV to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of EH-REIT's interest); (ii) in the case of an acquisition of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value[2] of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by EH-REIT whether directly or indirectly through a holding of shares, units or any other interests in one or more SPVs (plus any other payments[2] made by EH-REIT or its SPVs to the vendor in connection with the purchase of such equity interests or, as the case may be, contractual interest) (pro-rated, if applicable to the proportion of EH-REIT's interest); or

1 "**other payments**" refer to additional payments to the vendor of the real estate, for example, where the vendor has already made certain payments for enhancements to the real estate, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if EH-REIT acquires a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by EH-REIT as purchase price and any debt of the special purpose company.

	Payable by EH-REIT	Amount payable
		(iii) the acquisition price of any investment purchased by EH-REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate. No acquisition fee is payable for the acquisition of the Properties. The acquisition fee is payable to the REIT Manager in the form of cash and/or Stapled Securities or, as the case may be, EH-REIT Units (as the REIT Manager may elect) provided that in respect of any acquisition of real estate assets from Related Parties, such a fee should be in the form of Stapled Securities or, as the case may be, EH-REIT Units at prevailing market price(s) instead of cash. The Stapled Securities or, as the case may be, EH-REIT Units issued to the REIT Manager as its acquisition fee should not be sold within one year from the date of their issuance. Any payment to third party agents or brokers in connection with the acquisition of any assets of EH-REIT shall be paid to such persons out of the EH-REIT Deposited Property or the assets of the relevant entity and not out of the acquisition fee received or to be received by the REIT Manager.
	(ii) Divestment fee (payable to the REIT Manager)	0.5% of each of the following as is applicable (subject to there being no double-counting): (i) in the case of a sale of real estate, the sale price of any real estate sold or divested by EH-REIT, whether directly or indirectly through one or more SPVs, plus any other payments[1] in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of EH-REIT's interest);

1 "**other payments**" refer to additional payments to EH-REIT or its SPVs for the sale of the real estate, for example, where EH-REIT or its SPVs have already made certain payments for enhancements to the real estate, and the value of the asset enhancements are not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

	Payable by EH-REIT	Amount payable
		(ii) in the case of a sale of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value[1] of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by EH-REIT, whether directly or indirectly through one or more SPVs, plus any other payments[2] received by the EH-REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated if applicable to the proportion of EH-REIT's interest); or (iii) the sale price of the investment sold or divested by EH-REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate. The divestment fee is payable to the REIT Manager in the form of cash and/or Stapled Securities or, as the case may be, EH-REIT Units (as the REIT Manager may elect) provided that in respect of any sale or divestment of real estate assets to Related Parties, such a fee should be in the form of Stapled Securities or, as the case may be, EH-REIT Units at prevailing market price(s) instead of cash. The Stapled Securities or, as the case may be, EH-REIT Units issued to the REIT Manager as its divestment fee should not be sold within one year from the date of their issuance. Any payment to third party agents or brokers in connection with the disposal of any assets of EHT shall be paid to such persons out of the EH-REIT Deposited Property or the assets of the relevant entity and not out of the divestment fee received or to be received by the REIT Manager.

1 For example, if EH-REIT sells or divests a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity received by EH-REIT as sale price and any debt of the special purpose company.

2 "**other payments**" refer to additional payments to EH-REIT or its SPVs for the sale of the real estate, for example, where EH-REIT or its SPVs have already made certain payments for enhancements to the real estate, and the value of the asset enhancements are not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

	Payable by EH-REIT	Amount payable
	(iii) Development management fee (payable to the REIT Manager)	The REIT Manager is entitled to receive development management fees equivalent to 3.0% of the Total Project Costs incurred in a Development Project (each as defined herein) undertaken by the REIT Manager on behalf of EH-REIT. EH-REIT will only undertake development activities within the limits of the Property Funds Appendix (which currently allows a REIT to commit no more than 10.0% of its deposited property to development and investment in uncompleted property developments). The total contract value of property development activities may exceed 10.0% of EH-REIT's Deposited Property (subject to a maximum of 25.0% of EH-REIT's Deposited Property) only if: (i) the additional allowance of up to 15.0% of EH-REIT's Deposited Property is utilised solely for the redevelopment of an existing property that has been held by EH-REIT for at least three years and which EH-REIT will continue to hold for at least three years after the completion of the redevelopment; and (ii) EH-REIT obtains the specific approval of Stapled Securityholders at a general meeting for the redevelopment of the property. For the avoidance of doubt, the REIT Manager may at its sole discretion appoint one or more service providers to perform all or some of the development management services provided that the REIT Manager remains at all times responsible for the development management services provided by the service provider(s) and the REIT Manager shall be entitled to the full development management fee notwithstanding the appointment of such service provider(s) provided that there shall be no double-counting of any fees payable to such third party service providers for services which the REIT Manager is required to provide in respect of the development management fee.

	Payable by EH-REIT	Amount payable
		"**Development Project**", in relation to EH-REIT, means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by EH-REIT, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting, addition and alteration and renovations works. "**Total Project Costs**" means the sum of the following: (i) construction cost based on the project final account prepared by the project quantity surveyor or issued by the appointed contractor; (ii) principal consultants fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager; (iii) the cost of obtaining all approvals for the project; (iv) site staff costs; (v) interest costs on borrowings used to finance project cashflows that are capitalised to the project in line International Financial Reporting Standards; and (vi) any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with International Financial Reporting Standards but for the avoidance of doubt, shall not include land costs (including but not limited to the acquisition price or underlying value of such land).

	Payable by EH-REIT	Amount payable
		When the estimated Total Project Costs are greater than US$100.0 million, the REIT Manager will be entitled to receive a development management fee equivalent to 3.0% of the Total Project Costs up to US$100.0 million. For the remaining Total Project Costs in excess of US$100.0 million, the REIT Manager's independent directors will first review and approve the quantum of the development management fee, whereupon the REIT Manager may be directed to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the REIT Manager's view, materially lower than the development management fee, the independent directors of the REIT Manager shall have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the REIT Manager on behalf of EH-REIT. The development management fee is payable in equal monthly instalments over the construction period of each Development Project based on the REIT Manager's best estimate of the Total Project Costs and construction period and, if necessary, a final payment of the balance amount when the Total Project Costs is finalised. No acquisition fee shall be paid when the REIT Manager receives the development management fee for a Development Project. For the avoidance of doubt, land costs (including but not limited to the acquisition price or underlying value of such land) will not be included in the computation of Total Project Costs and the REIT Manager shall be entitled to receive an acquisition fee on the land costs.

The following is a summary of certain fees and charges payable by EH-BT in circumstances where EH-BT becomes active. For the avoidance of doubt, no fees are payable to the Trustee-Manager so long as EH-BT remains dormant.

	Payable by EH-BT	Amount payable
(a)	The Trustee-Manager's management fees	**Base Fee**[1] A fee not exceeding 10.0% per annum of the Annual Distributable Income (as defined in the EH-BT Trust Deed and calculated before accounting for the Base Fee and the Performance Fee). **Performance Fee** Pursuant to Clause 14.1.2 of the EH-BT Trust Deed, 25.0% per annum of the difference in DPS in a financial year with the DPS in the preceding financial year (calculated before accounting for the Performance Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year (subject to adjustments in certain cases as set out in Schedule 2 of the EH-BT Trust Deed). The Performance Fee is payable if the DPS in any financial year exceeds the DPS in the preceding financial year, notwithstanding that the DPS in the financial year where the Performance Fee is payable may be less than the DPS in the financial year prior to the preceding financial year[2]. For the avoidance of doubt, where the DPS in a financial year is less than the DPS in any preceding financial year, the Trustee-Manager shall not be required to return any Performance Fee paid to it in any preceding financial year. For illustrative purposes only, the following sets out an example of the computation of the Performance Fee based on an assumed DPS of 5.0 cents for Year 1 and 6.0 cents for Year 2 and a weighted average number of Stapled Securities of 1,000,000,000:

1 There should be no double-counting of fees. In the event that both the REIT Manager and the Trustee-Manager are entitled to the Base Fee, such fees payable to both the REIT Manager and the Trustee-Manager will be apportioned based on the respective proportionate contributions of EH-REIT and EH-BT in the Base Fee.

2 As an illustration, if the DPS is 5.0 cents in Year 1, 4.0 cents in Year 2 and 4.5 cents in Year 3, the Performance Fee is payable in relation to Year 3 as the DPS for Year 3 exceeds Year 2, notwithstanding that the DPS for Year 3 is less than the DPS for Year 1.

	Payable by EH-BT	Amount payable

	Year 1	Year 2
DPS (US$ cents)[1]	5.0	6.0
Weighted average number of Stapled Securities (million)	–	1,000
Performance Fee (US$ million)	–	2.5[2]

Notes:

(1) Calculated before accounting for the Performance Fee in the financial year.

(2) The Performance Fee is calculated based on the following computation: (6.0 – 5.0) x 1,000,000,000 x 25.0%.

For the purpose of the computation of the Performance Fee only, the DPS shall be calculated based on all income of EHT arising from the operations of EHT, such as, but not limited to, rentals, interest, dividends, and other similar payments or income arising from the Authorised Investments (as defined herein) of EHT.

For each of Forecast Period 2019 and Projection Year 2020, the difference in DPS shall be the difference in actual DPS in such financial period or financial year with the projected DPS. (See "Profit Forecast and Profit Projection" for further details.)

There should be no double-counting of fees. In the event that both the REIT Manager and the Trustee-Manager are entitled to the Performance Fee, such fees payable to both the REIT Manager and the Trustee-Manager will be apportioned based on the respective proportionate contributions of EH-REIT and EH-BT in the Performance Fee.

	Payable by EH-BT	Amount payable
		Management Fees to be paid in cash or Stapled Securities The Management Fees are payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, EH-BT Units (as the Trustee-Manager may elect), in such proportions as may be determined by the Trustee-Manager. For Forecast Period 2019 and Projection Year 2020, the Trustee-Manager has elected to receive 100.0% of the Management Fees in the form of Stapled Securities.
(b)	The Trustee-Manager's trustee fee	0.1% per annum of the value of the Trust Property (as defined in the BTA) of EH-BT (the "**EH-BT Trust Property**"), subject to a minimum fee of US$10,000 per month, provided that the value of the EH-BT Trust Property is at least US$50.0 million. For the purpose of calculating the trustee fee, if EH-BT holds only a partial interest in any of the EH-BT Trust Property, such EH-BT Trust Property shall be pro-rated in proportion to the partial interest held. The trustee fee shall be made to the Trustee-Manager out of the EH-BT Trust Property within 30 days of the last day of every calendar quarter (or such other period as may be determined by the Trustee-Manager at its discretion) in arrear, in the form of cash only.
(c)	Any other substantial fee or charge (*i.e.* 0.1% or more of the value of EH-BT Trust Property)	

	Payable by EH-BT	Amount payable
	(i) Acquisition fee (payable to the Trustee-Manager)	0.75% for acquisitions from Related Parties and 1.0% for all other cases (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double counting): (i) in the case of an acquisition of real estate, the acquisition price of any real estate purchased by EH-BT, whether directly or indirectly through one or more SPVs, plus any other payments[1] in addition to the acquisition price made by EH-BT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of EH-BT's interest); (ii) in the case of an acquisition of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value[2] of such real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by EH-BT, whether directly or indirectly through one or more SPVs, plus any other payments[3] made by EH-BT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated if applicable to the proportion of EH-BT's interest); or (iii) the acquisition price of any investment purchased by EH-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

1 "**other payments**" refer to additional payments to the vendor of the real estate, for example, where the vendor has already made certain payments for enhancements to the real estate, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if EH-BT acquires a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by EH-BT as purchase price and any debt of the special purpose company.

3 "**other payments**" refer to additional payments to the vendor of the real estate, for example, where the vendor has already made certain payments for enhancements to the real estate, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

	Payable by EH-BT	Amount payable
		The acquisition fee is payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, EH-BT Units (as the Trustee-Manager may elect), and in such proportion as may be determined by the Trustee-Manager.
	(ii) Divestment fee (payable to the Trustee-Manager)	0.5% (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting): (i) in the case of a sale of real estate, the sale price of any real estate sold or divested by EH-BT, whether directly or indirectly through one or more SPVs, plus any other payments[1] in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of EH-BT's interest); (ii) in the case of a sale of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value[2] of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by EH-BT, whether directly or indirectly through one or more SPVs, plus any other payments[1] received by the EH-BT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated if applicable to the proportion of EH-BT's interest); or (iii) the sale price of the investment purchased by EH-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

1 "**other payments**" refer to additional payments to EH-BT or its SPVs for the sale of the real estate, for example, where EH-BT or its SPVs have already made certain payments for enhancements to the real estate, and the value of the asset enhancements are not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if EH-BT sells or divests a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity received by EH-BT as sale price and any debt of the special purpose company.

	Payable by EH-BT	Amount payable
		The divestment fee is payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, EH-BT Units (as the Trustee-Manager may elect), and in such proportion as may be determined by the Trustee-Manager.
	(iii) Development management fee (payable to the Trustee-Manager)	The Trustee-Manager is entitled to receive development management fees equivalent to 3.0% of the Total Project Costs incurred in a Development Project (as defined herein) undertaken by the Trustee-Manager on behalf of EH-BT. For the avoidance of doubt, the Trustee-Manager may at its sole discretion appoint one or more service providers to perform all or some of the development management services provided that the Trustee-Manager remains at all times responsible for the development management services provided by the service provider(s) and the Trustee-Manager shall be entitled to the full development management fee notwithstanding the appointment of such service provider(s) provided that there shall be no double-counting of any fees payable to such third party service providers for services which the Trustee-Manager is required to provide in respect of the development management fee. "**Development Project**", in relation to EH-BT, means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by EH-BT, but does not include refurbishment, retrofitting, addition and alteration and renovations works. "**Total Project Costs**" means the sum of the following: (i) construction cost based on the project final account prepared by the project quantity surveyor or issued by the appointed contractor; (ii) principal consultants fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager; (iii) the cost of obtaining all approvals for the project;

	Payable by EH-BT	Amount payable
		(iv) site staff costs; (v) interest costs on borrowings used to finance project cashflows that are capitalised to the project in line with International Financial Reporting Standards; and (vi) any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with International Financial Reporting Standards but for the avoidance of doubt, shall not include land costs (including but not limited to the acquisition price or underlying value of such land). When the estimated Total Project Costs are greater than US$100.0 million, the Trustee-Manager will be entitled to receive a development management fee equivalent to 3.0% of the Total Project Costs up to US$100.0 million. For the remaining Total Project Costs in excess of US$100.0 million, the Trustee-Manager's independent directors will first review and approve the quantum of the development management fee, whereupon the Trustee-Manager may be directed to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the Trustee-Manager's view, materially lower than the development management fee, the Trustee-Manager shall have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the Trustee-Manager on behalf of EH-BT. The development management fee is payable in equal monthly instalments over the construction period of each Development Project based on the Trustee-Manager's best estimate of the Total Project Costs and construction period and, if necessary, a final payment of the balance amount when the Total Project Costs is finalised.

	Payable by EH-BT	Amount payable
		No acquisition fee shall be paid when the Trustee-Manager receives the development management fee for a Development Project. For the avoidance of doubt, land costs (including but not limited to the acquisition price or underlying value of such land) will not be included in the computation of Total Project Costs and the Trustee-Manager shall be entitled to receive an acquisition fee on the land costs.

The rationale for each of the fees payable by EH-REIT, EH-BT or their subsidiaries to the REIT Manager and the Trustee-Manager, respectively, in connection with the establishment and on-going management and operation of EH-REIT, EH-BT and their subsidiaries are as follows:

- **Management Fees (payable to the Managers) –** The Management Fees to the REIT Manager comprise the Base Fee and the Performance Fee which make up a substantial portion of the REIT Manager's total remuneration for the provision of on-going management services. These services cover functions such as investment management, asset management, capital management, accounting, legal, compliance and investor relations, rendered by a professional licensed REIT manager on a full time and dedicated basis. The Management Fees to the Trustee-Manager comprises the Base Fee and the Performance Fee and is payable in the event that EH-BT becomes active and is based on the value of Annual Distributable Income, is recurring and enables the Trustee-Manager to cover operational and administrative overhead incurred in the management of the portfolio.

    - **Base Fee –** The Base Fee, which is based on the value of Annual Distributable Income, is recurring and enables the Managers to cover operational and administrative overhead incurred in the management of the portfolio. By pegging the Base Fee to Annual Distributable Income, the Managers are incentivised to continually grow Annual Distributable Income which aligns their interests with the Stapled Securityholders.

    - **Performance Fee –** The Performance Fee, which is based on and linked to DPS growth, aligns the interests of the Managers with Stapled Securityholders as the Managers are motivated and incentivised to grow DPS holistically on a long-term and sustainable basis through proactive asset management strategies, asset enhancement initiatives and prudent capital management. If there is no growth in DPS from the immediately preceding financial year, no Performance Fee is payable to the Managers. As such, in order to achieve sustainability in the level of DPS growth and continuing payment of the Performance Fee from year to year, the Managers will not take on excessive short-term risks, and will strive to manage EH-REIT and EH-BT in a balanced manner.

- **Acquisition Fee and Divestment Fee (payable to the Managers) –** The acquisition fee and divestment fee payable to the Managers seek to motivate and compensate the Managers for the time, effort and cost spent by the management team of the Managers (in the case of the acquisition fee) in sourcing, evaluating and executing new investments to grow EH-REIT and EH-BT (as applicable) or, (in the case of the divestment fee) in rebalancing and unlocking the underlying value of existing properties where they have reached a stage which offers limited scope for further growth. The Managers provide these services over and above the provision of on-going management services with the aim of enhancing long-term returns and achieving the investment objectives of EH-REIT and EH-BT (as applicable).

The divestment fee is lower than the acquisition fee because there is generally less work required to be undertaken in terms of sourcing, evaluating and conducting due diligence for a disposal. As the divestment fee for all disposals is the same, the Managers will also be incentivised to sell a Property at the best price.

- **Development Management Fee (payable to the Managers)** – The development management fee allows the Managers to recover the cost of providing resources to manage the development projects, which is outside the scope of the usual operations of the Managers. This serves to incentivise the Managers to undertake development projects that will enhance returns for Stapled Securityholders, thereby aligning the Managers' interests with the interests of Stapled Securityholders.

THE OFFERING

EHT	Eagle Hospitality Trust, a hospitality stapled group comprising EH-REIT and EH-BT.
EH-REIT	Eagle Hospitality Real Estate Investment Trust, a real estate investment trust constituted by the EH-REIT Trust Deed.
EH-BT	Eagle Hospitality Business Trust, a business trust constituted by the EH-BT Trust Deed.
The REIT Manager	Eagle Hospitality REIT Management Pte. Ltd.
The REIT Trustee	DBS Trustee Limited, in its capacity as trustee of EH-REIT.
The Trustee-Manager	Eagle Hospitality Business Trust Management Pte. Ltd.
The Sponsor	Urban Commons, LLC
The Offering	580,558,000 Stapled Securities offered under the Placement Tranche and the Public Offer, subject to the Over-Allotment Option.
The Placement Tranche	535,687,000 Stapled Securities offered by way of an international placement to investors, including institutional and other investors in Singapore other than the Cornerstone Investors, pursuant to the Offering. The Stapled Securities have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States (as defined in Regulation S). The Stapled Securities are being offered and sold outside the United States in reliance on Regulation S.
The Public Offer	44,871,000 Stapled Securities offered by way of a public offer in Singapore.
Stapled Securities	Stapled Securities in EHT, each Stapled Security consisting of one unit in EH-REIT and one unit in EH-BT. The units are stapled together such that the units cannot be issued, transferred, traded, or otherwise dealt with separately.
Clawback and Re-allocation	The Stapled Securities may be re-allocated between the Placement Tranche and the Public Offer at the discretion of the Joint Bookrunners (in consultation with the Managers), in the event of an excess of applications in one and a deficit in the other.
Subscription by the Cornerstone Investors	Concurrently with, but separate from the Offering, each of DBS Bank Ltd., DBS Bank Ltd. (on behalf of certain wealth management clients), Gold Pot Developments Limited and Ji Qi (the "**Cornerstone Investors**") has entered into a subscription agreement to subscribe for an aggregate of 144,870,000 Stapled Securities at the Offering Price conditional upon the Underwriting Agreement having been entered into, and not having been terminated, pursuant to its terms on or prior to the Settlement Date.

	(See "Ownership of the Stapled Securities – Subscription by the Cornerstone Investors – Information on the Cornerstone Investors" for further details.)
Offering Price	US$0.78 per Stapled Security
Subscription for Stapled Securities in the Public Offer	Investors applying for the Stapled Securities by way of Application Forms or Electronic Applications (both as referred to in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Stapled Securities in Singapore") will pay the Offering Price (such amount being S$1.071 based on the exchange rate of US$1.00 to approximately S$1.3731, as determined by the Managers in consultation with DBS Bank Ltd.) on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case, without interest or any share of revenue or other benefit arising therefrom) where: • an application is rejected or accepted in part only; or • the Offering does not proceed for any reason. For illustrative purposes, an investor who applies for 1,000 Stapled Securities by way of an Application Form or, as the case may be, an Electronic Application under the Public Offer will have to pay S$1,071.00 (such amount being US$780.00 based on the exchange rate of US$1.00 to approximately S$1.3731, as determined by the Managers in consultation with DBS Bank Ltd.), which is subject to a refund of the full amount or the balance thereof (without interest or any share of revenue or other benefit arising therefrom), upon the occurrence of any of the foregoing events. The minimum initial subscription is for 1,000 Stapled Securities. An applicant may subscribe for a larger number of the Stapled Securities in integral multiples of 100. Investors in Singapore must follow the application procedures set out in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Stapled Securities in Singapore". Subscriptions under the Public Offer must be paid for in Singapore dollars (based on the exchange rate of US$1.00 to approximately S$1.3731). No fee is payable by applicants for the Stapled Securities, save for an administration fee for each application made through automated teller machines ("**ATMs**") and the internet banking websites of the Participating Banks and the mobile banking interface of DBS Bank Ltd..
The Stapled Security Lender	SPV1

Over-Allotment Option	In connection with the Offering, the Joint Bookrunners have been granted the Over-Allotment Option by the Stapled Security Lender, exercisable by the Stabilising Manager (or any of its affiliates or other persons acting on its behalf), in consultation with the other Joint Bookrunners, in full or in part, on one or more occasions, to acquire from the Stapled Security Lender up to an aggregate of 37,500,000 Stapled Securities at the Offering Price, representing not more than 6.5% of the total number of Stapled Securities in the Offering solely to cover the over-allotment of Stapled Securities (if any) made in connection with the Offering. The Over-Allotment Option is exercisable from the Listing Date but no later than the earlier of (i) the date falling 30 days from the Listing Date; or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on its behalf) has bought, on the SGX-ST, an aggregate of 37,500,000 Stapled Securities, representing not more than 6.5% of the total number of Stapled Securities in the Offering, to undertake stabilising actions to purchase up to an aggregate of 37,500,000 Stapled Securities (representing not more than 6.5% of the total number of Stapled Securities in the Offering), at the Offering Price. Unless indicated otherwise, all information in this document assumes that the Over-Allotment Option is not exercised. (See "Plan of Distribution – Over-Allotment and Stabilisation" for further details.) The total number of Stapled Securities in issue immediately after the close of the Offering will be 867,888,000 Stapled Securities. The exercise of the Over-Allotment Option will not increase this total number of Stapled Securities in issue. The total number of Stapled Securities subject to the Over-Allotment Option will not exceed 6.5% (based on the Offering Price) of the total number of Stapled Securities under the Offering.
Lock-ups	Each of the Founders, Salvatore G. Takoushian, SPV1, SPV2, SPV3, SPV4 and SPV5 has agreed to (i) a lock-up arrangement during the First Lock-up Period (as defined herein) in respect of their respective effective interest in the Lock-up Stapled Securities (as defined herein) and (ii) a lock-up arrangement during the Second Lock-up Period (as defined herein) in respect of their respective effective interest in 50.0% of the relevant Lock-up Stapled Securities, subject to certain exceptions. The Cornerstone Investors are not subject to any lock-up restrictions in respect of their holdings of Stapled Securities.

	The Managers have also undertaken not to offer, issue or contract to issue any Stapled Securities, and the making of any announcements in connection with any of the foregoing transactions, during the First Lock-up Period, subject to certain exceptions. (See "Plan of Distribution – Lock-up Arrangements" for further details.)
Capitalisation	US$1,184.5 million (See "Capitalisation and Indebtedness" for further details).
Use of Proceeds	See "Use of Proceeds" and "Certain Agreements Relating to EHT, EH-REIT, EH-BT and the Properties" for further details.
Listing and Trading	Prior to the Offering, there has been no market for the Stapled Securities. Application has been made to the SGX-ST for permission to list on the Main Board of the SGX-ST: • all the Stapled Securities comprised in the Offering; • all the Sponsor Stapled Securities; • all the Cornerstone Stapled Securities; and • all the Stapled Securities which may be issued to the Managers from time to time in full or part payment of fees payable to the Managers. (See "Management and Corporate Governance – EH-REIT – Fees Payable to the REIT Manager" and "Management and Corporate Governance – EH-BT – Fees Payable to the Trustee-Manager" for further details.) Such permission will be granted when EHT is admitted to the Official List of the SGX-ST. The Stapled Securities will, upon their issue, listing and quotation on the SGX-ST, be traded in US dollars under the book-entry (scripless) settlement system of the Central Depository (Pte) Limited ("**CDP**"). The Stapled Securities will be traded in board lot sizes of 100 Stapled Securities.
Stabilisation	In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on its behalf) may, in consultation with the other Joint Bookrunners and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Stapled Securities at levels which might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on its behalf) will undertake stabilising action. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations (including the SFA and any regulations thereunder).

	Such transactions may commence on or after the date of commencement of trading in the Stapled Securities on the SGX-ST and, if commenced, may be discontinued at any time and shall not be effected later than the earlier of (i) the date falling 30 days from the Listing Date or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on its behalf) has bought on the SGX-ST an aggregate of 37,500,000 Stapled Securities representing not more than 6.5% of the total number of Stapled Securities in the Offering, to undertake stabilising actions to purchase up to an aggregate of 37,500,000 Stapled Securities (representing not more than 6.5% of the total number of Stapled Securities in the Offering), at the Offering Price. (See "Plan of Distribution – Over-Allotment and Stabilisation" for further details.)
No Redemption	Stapled Securityholders have no right to request the REIT Manager or the Trustee-Manager to redeem their Stapled Securities while the Stapled Securities are listed on the SGX-ST. Stapled Securityholders may only deal in their listed 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.
Distribution Policy and Distribution Currency	Distributions from EHT comprise distributions from EH-REIT and EH-BT. Distributions from EHT to Stapled Securityholders will be computed based on 100.0% of EHT's Annual Distributable Income for the period from the Listing Date to the end of Projection Year 2020. Thereafter, EHT will distribute at least 90.0% of its Annual Distributable Income on a semi-annual basis. EHT's first distribution, which will be in respect of the period from the Listing Date to 31 December 2019, will be paid by the Managers on or before 30 March 2020.

Distributions will be declared in US dollars. Each Stapled Securityholder will receive his distribution in Singapore dollars equivalent of the US dollar distribution declared, unless he elects to receive the relevant distribution in US dollars by submitting a "Distribution Election Notice" by the relevant cut-off date. For the portion of the distributions to be paid in Singapore dollars, the Managers will make the necessary arrangements to convert the distributions in US dollars into Singapore dollars, at such exchange rate as the Managers may determine, taking into consideration any premium or discount that may be relevant to the cost of exchange. CDP, the Managers, the REIT Trustee or EHT shall not be liable for any loss arising from the conversion of distributions payable to Stapled Securityholders from US dollars into Singapore dollars. Save for approved depository agents (acting as nominees of their customers), each Stapled Securityholder may elect to receive his entire distribution in Singapore dollars or US dollars and shall not be able to elect to receive distributions in a combination of Singapore dollars and US dollars.

EH-BT will be dormant as at the Listing Date and no distributions will be made during the period that EH-BT remains dormant. It is assumed that EH-BT will have no revenue for the Forecast Period 2019 and Projection Year 2020. In the event that EH-BT becomes active and profitable, EH-BT's distribution policy will be to distribute as much of its income as practicable, and the declaration and payment of distributions by EH-BT will be at the sole discretion of the Trustee-Manager. There is no assurance that EH-BT would make any distributions to Stapled Securityholders.

Singapore Tax Considerations

For Singapore income tax purposes, the components making up a Stapled Security are recognised separately, *i.e.* as one EH-REIT Unit and one EH-BT Unit. Accordingly, distributions from EHT are recognised separately as distributions from EH-REIT and distributions from EH-BT for the purpose of determining the applicable Singapore tax treatment.

Distributions by EH-REIT

EH-REIT has obtained the Tax Ruling (as defined herein) in relation to certain Singapore income tax treatment of the distributions received by SG Corp, SG Lending Sub, EH-REIT and Stapled Securityholders. The Tax Ruling is subject to certain terms and conditions.

Stapled Securityholders will not be subject to Singapore income tax on distributions made by EH-REIT out of its tax-exempt income, taxable income that has been taxed on the REIT Trustee, and its capital receipts. Capital distributions are treated as returns of capital for Singapore income tax purposes.

	Distributions by EH-BT Any distribution made by EH-BT to Stapled Securityholders will be exempt from Singapore income tax in the hands of Stapled Securityholders, regardless of whether they are individuals or non-individuals. (See "Taxation" and Appendix F, "Independent Taxation Report" for further information on the Singapore income tax consequences of the purchase, ownership and disposition of the Stapled Securities.)
Unstapling	EHT can be terminated when stapling becomes unlawful or prohibited by the listing manual of the SGX-ST (the "**Listing Manual**"), or when either EH-REIT or EH-BT is terminated or wound up respectively. Termination can also occur if Extraordinary Resolutions (as defined herein) from the holders of EH-REIT Units and the holders of EH-BT Units are obtained and with prior approval from the SGX-ST for such unstapling.
Termination	EH-REIT may, under certain circumstances specified in the EH-REIT Trust Deed, be terminated by either the REIT Manager or the REIT Trustee. (See "The Formation and Structure of EHT, EH-REIT and EH-BT – EH-REIT – Termination of EH-REIT" for further details.) EH-BT may, under certain circumstances specified in the EH-BT Trust Deed, be wound up by the Trustee-Manager. (See "The Formation and Structure of EHT, EH-REIT and EH-BT – The Formation and Structure of EH-BT – Winding-up" for further details.)
Governing Law	The Stapling Deed, the EH-REIT Trust Deed and the EH-BT Trust Deed, pursuant to which EHT, EH-REIT and EH-BT are respectively constituted, are governed by Singapore law.
Underwriting, Selling and Management Commission Payable by EHT to the Joint Bookrunners	The REIT Manager, on behalf of EH-REIT, and the Trustee-Manager, on behalf of EH-BT, have agreed to pay the Joint Bookrunners a maximum of 3.0% of the total proceeds of the Offering and the issuance of the Cornerstone Stapled Securities. (See "Plan of Distribution – Issue Expenses" for further details.)
Risk Factors	**Prospective investors should carefully consider certain risks connected with an investment in the Stapled Securities, as discussed under "Risk Factors".**

INDICATIVE TIMETABLE

An indicative timetable for the Offering and trading in the Stapled Securities is set out below for the reference of applicants for the Stapled Securities:

Date and time		Event
16 May 2019, 9.00 p.m.	:	Opening date and time for the Public Offer.
22 May 2019, 12.00 noon	:	Closing date and time for the Public Offer.
23 May 2019	:	Balloting of applications under the Public Offer, if necessary. Commence returning or refunding of application monies to unsuccessful or partially successful applicants and commence returning or refunding of application monies to successful applicants for the amount paid in excess of the Offering Price, if necessary.
24 May 2019, at or before 2.00 p.m.	:	Completion of the acquisition of the Initial Portfolio.
24 May 2019, 2.00 p.m.	:	Commence trading on a "ready" basis.
28 May 2019	:	Settlement Date for all trades done on a "ready" basis on 24 May 2019.

The above timetable is only indicative and is subject to change. It assumes:

- that the closing of the application list for the Public Offer (the "**Application List**") is 22 May 2019;
- that the Listing Date is 24 May 2019,
- compliance with the SGX-ST's Stapled Securities holding spread requirement; and
- that the Stapled Securities will be issued and fully paid up prior to 2.00 p.m. on 24 May 2019.

All dates and times referred to above are Singapore dates and times.

Trading in the Stapled Securities on a "ready" basis is expected to commence at 2.00 p.m. on 24 May 2019 (subject to the SGX-ST being satisfied that all conditions necessary for the commencement of trading in the Stapled Securities on a "ready" basis have been fulfilled), as the completion of the acquisition of the Properties is expected to take place at or before 2.00 p.m. on 24 May 2019. (See "Certain Agreements Relating to EHT, EH-REIT, EH-BT and the Properties" for further details.)

If EH-REIT is terminated, or EH-BT is wound up, or the Stapled Securities are unstapled under the circumstances specified in the EH-REIT Trust Deed, EH-BT Trust Deed and the Stapling Deed respectively prior to, or if the acquisition of the Properties is not completed by, 2.00 p.m. on 24 May 2019 (being the time and date of commencement of trading in the Stapled Securities), the Offering will not proceed and the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom and at each applicant's own risk and without any right or claim against EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators or the Joint Bookrunners). (See "The Formation and Structure of EHT, EH-REIT and

EH-BT – The Formation and Structure of EH-REIT – Termination of EH-REIT" and "The Formation and Structure of EHT, EH-REIT and EH-BT – The Formation and Structure of EH-BT – Winding-up of EH-BT" for further details.)

In the event of an early or extended closure of the Application List or the shortening or extension of the time period during which the Offering is open, the Managers will publicly announce the same:

- via SGXNET, with the announcement to be posted on the internet at the SGX-ST website: http://www.sgxnet.sgx.com; and

- in one or more major Singapore newspapers, such as *The Straits Times, The Business Times* and *Lianhe Zaobao.*

Investors should consult the SGX-ST announcement on the "ready" trading date on the internet (at the SGX-ST website http://www.sgx.com), or the newspapers, or check with their brokers on the date on which trading on a "ready" basis will commence.

The Managers will provide details and results of the Public Offer through SGXNET and in one or more major Singapore newspapers, such as *The Straits Times, The Business Times* and *Lianhe Zaobao.*

The Managers reserve the right to reject or accept, in whole or in part, or to scale down or ballot any application for the Stapled Securities, without assigning any reason for it, and no enquiry and/or correspondence on the decision of the Managers will be entertained. In deciding the basis of allotment, due consideration will be given to the desirability of allotting the Stapled Securities to a reasonable number of applicants with a view to establishing an adequate market for the Stapled Securities.

Where an application is rejected or accepted in part only or if the Offering does not proceed for any reason, the full amount or, as the case may be, the balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, and without any right or claim against EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators or the Joint Bookrunners.

Where an application is not successful, the refund of the full amount of the application monies (without interest or any share of revenue or other benefit arising therefrom) to the applicant, is expected to be completed, at his own risk within 24 hours after balloting (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Stapled Securities in Singapore").

Where an application is accepted in full or in part only, any balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, within 14 Market Days[1] after the close of the Offering (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Stapled Securities in Singapore").

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1 "**Market Day**" means any day on which the SGX-ST is open for trading in securities.

Where the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will, within three Market Days after the Offering is discontinued, be returned to the applicants at their own risk (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Stapled Securities in Singapore").

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following tables are only an extract from, and should be read together with, "Unaudited Pro Forma Consolidated Financial Information" in Appendix C and the report set out in Appendix B, "Reporting Auditors' Report on the Unaudited Pro Forma Consolidated Financial Information".

The unaudited pro forma consolidated financial information for EH-REIT, based on the Offering Price is as follows:

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME[1] OF THE PRO FORMA GROUP

USHI Portfolio Only (comprising 12 Properties)[2]

	FY2016 US$'000	FY2017 US$'000	FY2018 US$'000
Revenue	51,201	54,899	59,505
Property expenses	(7,003)	(9,871)	(12,149)
Net property income	44,198	45,028	47,356
Other income	–	–	2,423
REIT Manager's management fees	(2,650)	(2,756)	(4,165)
REIT Trustee's fee	(199)	(202)	(204)
Other trust expenses	(1,670)	(1,703)	(1,971)
Finance income	265	282	282
Finance costs	(15,680)	(15,711)	(15,723)
Net finance costs	(15,415)	(15,429)	(15,441)
	24,264	24,938	27,998
Fair value change in investment properties	113,193	–	–
Profit before tax	137,457	24,938	27,998
Tax expense	(23,874)	(98)	(103)
Profit after tax	113,583	24,840	27,895
Distribution adjustments[3]	(87,077)	2,090	3,726
Amount available for distribution	26,506	26,930	31,621

Notes:

(1) Based on the Offering Price per Stapled Security and assuming the Over-Allotment Option is exercised in full.

(2) The Properties comprising the USHI Portfolio are (i) Sheraton Pasadena, (ii) Holiday Inn Hotel & Suites Anaheim, (iii) Embassy Suites by Hilton Anaheim North, (iv) Holiday Inn Hotel & Suites San Mateo, (v) Four Points by Sheraton San Jose Airport, (vi) The Westin Sacramento, (vii) Embassy Suites by Hilton Palm Desert, (viii) The Queen Mary Long Beach, (ix) Renaissance Denver Stapleton, (x) Holiday Inn Denver East – Stapleton, (xi) Holiday Inn Resort Orlando Suites – Waterpark and (xii) Crowne Plaza Danbury.

(3) Distribution adjustments include expenses relating to the amortisation of deferred income, straight-lining of rental income, REIT Manager's management fees paid/payable in Stapled Securities, REIT Trustee's fees, amortisation of upfront debt-related transaction costs, finance expense arising from remeasuring non-current rental deposits at amortised cost, fair value changes on investment properties and deferred tax expense.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOWS[1] OF THE PRO FORMA GROUP

USHI Portfolio Only (comprising 12 Properties)[2]

	Year ended 31 December 2018 US$'000
Cash flows from operating activities	
Net income before tax	141,693
Adjustments for:	
Rental income arising from amortisation of deferred income and rental straight-lining adjustments	(2,698)
Finance income	(282)
Finance costs	15,699
REIT Manager's management fees	3,120
Fair value gain on revaluation of investment properties	(112,682)
Operating income before working capital changes	44,850
Changes in working capital:	
Trade and other receivables	(4,418)
Trade and other payables	2,491
Income tax paid	(103)
Net cash generated from operating activities	42,820
Cash flows from investing activities	
Acquisition of subsidiaries	(256,562)
Net cash used in investing activities	(256,562)
Cash flows from financing activities	
Proceeds from issue of Stapled Securities	412,897
Payment of transaction costs related to the issuance of Stapled Securities	(34,177)
Proceeds from borrowings	310,000
Payment of transaction costs related to borrowings	(5,077)
Repayment of borrowings	(420,006)
Finance costs paid	(13,744)
Distribution to holders of Stapled Securities	(15,599)
Movement in restricted cash	(2,474)
Net cash from financing activities	231,820
Net increase in cash and cash equivalents	18,078
Cash and cash equivalents at beginning of the year/period	–
Cash and cash equivalents at end of the year/period[3]	18,078

Notes:

(1) Based on the Offering Price per Stapled Security and assuming the Over-Allotment Option is exercised in full.

(2) The Properties comprising the USHI Portfolio are (i) Sheraton Pasadena, (ii) Holiday Inn Hotel & Suites Anaheim, (iii) Embassy Suites by Hilton Anaheim North, (iv) Holiday Inn Hotel & Suites San Mateo, (v) Four Points by Sheraton San Jose Airport, (vi) The Westin Sacramento, (vii) Embassy Suites by Hilton Palm Desert, (viii) The Queen Mary Long Beach, (ix) Renaissance Denver Stapleton, (x) Holiday Inn Denver East – Stapleton, (xi) Holiday Inn Resort Orlando Suites – Waterpark and (xii) Crowne Plaza Danbury.

(3) Cash and cash equivalents exclude pledged cash amounting to US$17,595,000 and restricted cash amounting to US$2,474,000.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION[1] OF THE PRO FORMA GROUP

Initial Portfolio of EH-REIT

	As at the Listing Date US$'000
Non-current assets	
Investment properties	1,274,575
Current assets	
Trade and other receivables	2,367
Cash and cash equivalents	60,794
	63,161
Total assets	1,337,736
Unitholders' funds	
Units in issue	676,953
Unit issue costs	(41,363)
Retained earnings	129,557
Total unitholders' funds	765,147
Non-current liabilities	
Trade and other payables	27,434
Loans and borrowings	500,434
Lease liabilities	6,357
Deferred tax liabilities	34,439
	568,664
Current liabilities	
Trade and other payables	3,907
Lease liabilities	18
	3,925
Total liabilities	572,589
Total unitholders' funds and liabilities	1,337,736
Units in issue ('000)	867,888
Net asset value per Stapled Security (US$)	0.88

Note:

(1) Based on the Offering Price per Stapled Security and assuming the Over-Allotment Option is exercised in full.

EH-BT will not make distributions for the period in which it is dormant. Therefore distributions by EHT, when EH-BT is dormant, will comprise distributions by EH-REIT solely.

Statements contained in the "Profit Forecast and Profit Projection" section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set out in this section of this Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by any of EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators, the Joint Bookrunners or any other person, or that these results will be achieved or are likely to be achieved (see "Forward-looking Statements" and "Risk Factors"). Prospective investors in the Stapled Securities are cautioned not to place any undue reliance on these forward-looking statements that are valid only as at the date of this Prospectus.

None of EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators or the Joint Bookrunners guarantees the performance of EHT, EH-REIT and EH-BT, the repayment of capital or the payment of any distributions, or any particular return on the Stapled Securities.

The following tables show the forecast and projected statements of comprehensive income for Forecast Period 2019 (from 1 May 2019 to 31 December 2019) and Projection Year 2020 (from 1 January 2020 to 31 December 2020) of EH-REIT. The forecast and projected yields stated in the following tables are calculated based on:

- ***the Offering Price;***
- ***the assumption that the Listing Date is 1 May 2019; and***
- ***the forecast and projected statements of comprehensive income for the Forecast Period 2019 and Projection Year 2020 of EH-REIT.***

Such yields will vary accordingly to the extent that the Listing Date is later than 1 May 2019, or for investors who purchase the Stapled Securities in the secondary market at a market price that differs from the Offering Price.

The financial year-end of EH-REIT is 31 December. The Profit Forecast and Profit Projection may be different to the extent that the actual date of issuance of the Stapled Securities is later than 1 May 2019. The Profit Forecast and Profit Projection are based on the assumptions set out in "Profit Forecast and Profit Projection" and have been examined by the Reporting Auditors and should be read together with the report set out in Appendix A, "Reporting Auditors' Report on the Profit Forecast and Profit Projection", as well as the assumptions and the sensitivity analysis set out in the "Profit Forecast and Profit Projection" section of the Prospectus.

While a profit forecast has been prepared for Forecast Period 2019, being the period commencing from 1 May 2019 and ending 31 December 2019, it should be noted that due to the seasonal nature of the hospitality business, the financial performance of the Properties may not be comparable and consistent quarter-to-quarter. Hence, comparisons between the annualised financial performance of the Properties for Forecast Period 2019 and Projection Year 2020 are unlikely to provide accurate reflections of the expected changes in EH-REIT's financial performance from 2019 to 2020.

Forecast and Projected Statements of Comprehensive Income of EH-REIT

	Forecast Period 2019 (1 May 2019 to 31 December 2019) (US$'000)	Projection Year 2020 (1 January 2020 to 31 December 2020) (US$'000)
Revenue	**63,113**	**95,430**
Property expenses	(12,063)	(14,090)
Net property income	**51,050**	**81,340**
REIT Manager's management fees	(3,723)	(5,758)
REIT Trustee's fee	(182)	(274)
Other trust expenses	(1,890)	(1,928)
Finance income	418	627
Finance costs	(15,407)	(23,067)
Net finance costs	(14,989)	(22,440)
Fair value change on investment properties	163,996	–
Profit before tax	**194,262**	**50,940**
Tax expense	(34,718)	(360)
Profit after tax	**159,544**	**50,580**
Distribution adjustments[1]	(122,315)	6,997
Income available for distribution to holders of Stapled Securities	**37,229**	**57,577**

	Forecast Period 2019 (1 May 2019 to 31 December 2019) (US$'000)	Projection Year 2020 (1 January 2020 to 31 December 2020) (US$'000)
Total number of issued and issuable Stapled Securities at end of period/year ('000)	**872,661**	**880,043**
Distribution per Stapled Security (cents)	4.27	6.54
Offering Price (US$)	0.78	0.78
Distribution yield (%)	**8.2%**[2]	**8.4%**

Notes:

(1) "**Distribution adjustments**" include amortisation of deferred income, straight-lining of rental income, REIT Manager's management fees paid/payable in Stapled Securities, REIT Trustee's fees, amortisation of upfront debt-related transaction costs, finance expense arising from remeasuring non-current rental deposits at amortised cost, adjustments arising from the Master Lease Agreement in respect of the Queen Mary Long Beach, fair value changes on investment properties, deferred tax expense, timing differences relating to property tax and distributions from the drawdown of Interest Reserve Account.

(2) Annualised by extrapolating the Forecast Period 2019 figures for a full financial year.

Revenue and Net Property Income Contribution of Individual Property

Revenue comprises rental income derived from the Initial Portfolio as set out below.

	Forecast Period 2019 (US$'000)	Projection Year 2020 (US$'000)
Rental income[1]	60,211	91,171
Recovery of expenses	2,902	4,259
Revenue	**63,113**	**95,430**

Note:

(1) Includes amortisation of deferred income and straight-lining of rental income.

The forecast and projected contribution of the Properties to Revenue (excluding the amortisation of deferred income and effect of straight-lining of rental income) is as follows:

	Forecast Period 2019		Projection Year 2020	
	(US$'000)	%	(US$'000)	%
Sheraton Pasadena	4,534	7.8%	6,904	7.8%
Holiday Inn Hotel & Suites Anaheim	3,272	5.6%	5,040	5.7%
Embassy Suites by Hilton Anaheim North	2,157	3.7%	3,310	3.7%
Holiday Inn Hotel & Suites San Mateo	3,582	6.1%	5,524	6.2%
Four Points by Sheraton San Jose Airport	3,013	5.2%	4,631	5.2%
The Westin Sacramento	1,656	2.8%	2,485	2.8%
Embassy Suites by Hilton Palm Desert	933	1.6%	2,017	2.3%
The Queen Mary Long Beach	8,475	14.5%	12,449	14.1%
Renaissance Denver Stapleton	4,314	7.4%	6,090	6.9%
Holiday Inn Denver East – Stapleton	2,572	4.4%	3,531	4.0%
Sheraton Denver Tech Center	1,805	3.1%	2,551	2.9%
Holiday Inn Resort Orlando Suites – Waterpark	8,384	14.4%	12,521	14.2%
Crowne Plaza Dallas Near Galleria-Addison	2,291	3.9%	3,935	4.4%
Hilton Houston Galleria Area	2,108	3.6%	3,414	3.9%
Renaissance Woodbridge	3,367	5.8%	5,128	5.8%
Crowne Plaza Danbury	633	1.1%	989	1.1%
Doubletree by Hilton Salt Lake City Airport	2,786	4.8%	4,220	4.8%
Hilton Atlanta Northeast	2,433	4.2%	3,727	4.2%
Total	**58,315**	**100.0%**	**88,466**	**100.0%**

The forecast and projected contribution of the Properties to Net Property Income (excluding the amortisation of deferred income, the effect of straight-lining of rental income and timing differences relating to property tax) is as follows:

	Forecast Period 2019		Projection Year 2020	
	(US$'000)	%	(US$'000)	%
Sheraton Pasadena	4,017	7.8%	6,105	7.8%
Holiday Inn Hotel & Suites Anaheim	2,898	5.6%	4,462	5.7%
Embassy Suites by Hilton Anaheim North	1,838	3.6%	2,817	3.6%
Holiday Inn Hotel & Suites San Mateo	3,088	6.0%	4,761	6.1%
Four Points by Sheraton San Jose Airport	2,708	5.2%	4,160	5.3%
The Westin Sacramento	1,489	2.9%	2,227	2.8%
Embassy Suites by Hilton Palm Desert	743	1.4%	1,723	2.2%
The Queen Mary Long Beach	8,475	16.4%	12,449	15.9%
Renaissance Denver Stapleton	3,768	7.3%	5,246	6.7%
Holiday Inn Denver East – Stapleton	2,299	4.4%	3,110	4.0%
Sheraton Denver Tech Center	1,420	2.7%	1,961	2.5%
Holiday Inn Resort Orlando Suites – Waterpark	7,228	14.0%	10,734	13.7%
Crowne Plaza Dallas Near Galleria-Addison	1,815	3.5%	3,226	4.1%
Hilton Houston Galleria Area	1,770	3.4%	2,889	3.7%
Renaissance Woodbridge	2,966	5.7%	4,514	5.8%
Crowne Plaza Danbury	419	0.8%	660	0.8%
Doubletree by Hilton Salt Lake City Airport	2,530	4.9%	3,826	4.9%
Hilton Atlanta Northeast	2,266	4.4%	3,465	4.4%
Total	**51,736**	**100.0%**	**78,335**	**100.0%**

Disclaimer: The HWHI Parties, IHG and Marriott have not reviewed or endorsed any financial information or projections that are made in this Prospectus.

RISK FACTORS

Prospective investors should consider carefully, together with all other information contained in this Prospectus, the factors described below before deciding to invest in the Stapled Securities. The risks described below are by no means exhaustive or comprehensive, and there may be other risks in addition to those shown below which are not known to the REIT Manager and/or the Trustee-Manager or which may not be material now but could turn out to be material in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on EHT or impair the business operations of EHT. The market price of the Stapled Securities could decline due to any of these risks and Stapled Securityholders may lose all or part of their investment. In addition, this Prospectus does not constitute advice to you relating to investing in the Stapled Securities and investors should make their own judgment or consult their own investment advisers before making any investment in the Stapled Securities.

This Prospectus also contains forward-looking statements (including profit forecasts and profit projections) that involve risks, uncertainties and assumptions. The actual results of EHT, EH-REIT and/or EH-BT could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by EHT as described below and elsewhere in this Prospectus.

EHT comprises EH-REIT and EH-BT, and risk factors for EHT include considerations relevant to the Stapled Securities, collective investment schemes and business trusts.

As an investment in the Stapled Securities is meant to produce returns over the long-term, investors should not expect to obtain short-term gains.

Investors should be aware that the price of the Stapled Securities, and the income from them, might fall or rise. Investors should note that they might not get back their original investment.

Before deciding to invest in the Stapled Securities, prospective investors should seek professional advice from their own investment or other advisers about their particular circumstances.

RISKS RELATING TO THE HOSPITALITY INDUSTRY

The financial performance of EHT is dependent on the condition and outlook of the hospitality industry and hospitality-related businesses, which are in turn susceptible to cyclicality and other factors outside the control of EHT and the Managers.

Both the hospitality industry and hospitality-related businesses are cyclical and sensitive to external and economic changes. There are a number of factors which are common to the US and global hospitality industry and hospitality-related businesses and beyond the control of EHT and the Managers.

These factors could affect the financial performance of EHT, including the following but not limited to:

- the condition of, and changes in, the domestic, regional and global economies, including, but not limited to, factors such as the political landscape, environmental conditions and epidemics that result from the spread of infectious diseases that may result in reduced occupancy rates, room rates, visitors and demand for the hospitality or hospitality-related assets of EHT;

- increase in new supply of hotels in the markets in which EHT operates, which could adversely impact the occupancy levels and revenue of the Properties or future hospitality or hospitality-related assets of EHT;

- increased competition in hospitality and hospitality-related businesses in the markets in which EHT's assets are located or the loss of regular customers to newer or alternative hotels for convenience, better services or lower room rates;

- changes in EHT's relationships with, and the performance and reputation of the master lessees, hotel managers, hotel franchisors, service providers and other companies with whom EHT may contract;

- changes in government laws and regulations, fiscal policies and zoning ordinances, government executive orders restricting travel, labour laws and the related costs of compliance with laws and regulations, fiscal policies, ordinances and executive orders affecting EHT;

- slowdown in tourism, business and conferences in the markets in which the investments of EHT are located;

- seasonality patterns in tourism arrival numbers throughout the year;

- frequency of events or conferences in the surrounding vicinity of each Property or future hospitality or hospitality-related assets of EHT;

- the nature and length of a typical hotel guest's stay as hotel guests typically stay on a short-term basis and there is no assurance of long-term occupancy for hotel rooms;

- unexpected increases in transportation or fuel costs, strikes among workers in the transportation industry and adverse weather conditions that could affect travel demand;

- labour strikes by employees at the Properties which may disrupt business operations;

- increases in operating costs due to inflation, labour costs (including the impact of unionisation), workers' compensation and healthcare-related costs, maintenance costs, utility costs, insurance and unanticipated costs such as those resulting from acts of nature;

- changes in interest rates and in the availability, cost and terms of debt financing and other changes that may adversely affect EHT's ability to source capital to fund capital expenditures, acquisitions and other general corporate purposes or to comply with debt financing covenants;

- the financial condition and liquidity of EHT;

- relations between EHT and its lenders;

- difficulties in identifying hospitality and hospitality-related assets to acquire and difficulties in completing and integrating acquisitions;

- the time that it may take to construct, develop or complete the refurbishments of properties and receive registrable title to such properties;

- any restrictions in the ability to renovate the Properties and future assets of EHT in order to preserve or expand demand for the Properties and such assets;

- unfavourable publicity in relation to the Properties; and

- other matters not yet known to the Managers or not currently considered material by the Managers.

These factors could lead to deterioration in the amount of the rental payments from the Master Lessees and the ability of the Hotel Managers to generate income. This may have adverse effects on the business, financial condition, results of operations and prospects of EHT and reduce its ability to make distributions to the Stapled Securityholders.

Property operation costs and expenses of the Properties may not decrease even if occupancy rate declines.

Operating a hotel involves a significant amount of fixed costs which may not vary significantly with high or low occupancy rates over a week, month or season. Significant fixed costs may limit the ability of the operators of the Properties to respond to adverse market conditions by minimising costs. Such limitations may have an impact on profitability when the hospitality industry is weak. This may adversely affect the ability of the Master Lessees to make rental payments to EH-REIT and consequently, the ability of EHT to make distributions to the Stapled Securityholders.

Acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases (such as the human avian flu and severe acute respiratory syndrome ("SARS")) and other events beyond the control of EHT may adversely affect the business, financial condition, results of operations and prospects of EHT.

The hospitality industry and hospitality-related businesses and EHT may be adversely affected by acts of God, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases (such as the human avian flu and SARS) and other events beyond the control of EHT. The Managers cannot predict the occurrence of these events and the extent to which they will, directly or indirectly, impact distributions to the Stapled Securityholders, the hospitality and hospitality-related industries or the business, financial condition, results of operations and prospects of EHT in the future.

The outbreak of an infectious disease such as Influenza A (H1N1-2009) or Swine Flu in the US and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy and business activities in the US and elsewhere and could thereby adversely impact the revenues and results of EHT. There can be no assurance that any precautionary measures taken against infectious diseases would be effective. Upon the outbreak of an infectious disease, the World Health Organisation and certain governments may issue travel advisories against nonessential travel to affected regions, or even impose travel restrictions. Travel advisories or restrictions on the United States are likely to have a material adverse effect on the number of international visitor arrivals to the states which EHT has assets and therefore the corresponding demand for hotel rooms under EHT's portfolio of assets. Accordingly, the spread of any contagious or virulent disease, and any consequential travel advisories or restrictions may adversely affect the business, financial condition, results of operations and prospects of EHT. An increased threat of terrorism, terrorist events, airline strikes, hostilities between countries or natural disasters may affect travel patterns and reduce the number of business and commercial travellers and tourists in the states which the hospitality and hospitality-related assets of EHT are located and/or may be located in the future.

EHT may have investments in markets that have been or may be in the future the targets of actual or threatened terrorist attacks. The possibility or occurrence of future attacks, terrorism alerts or outbreaks of hostilities may raise safety concerns and give rise to an increased negative effect on business and leisure travel patterns. This could result in an overall decrease in the demand for hotel rooms in these markets generally or in the Properties. Future terrorist attacks in these markets could directly or indirectly damage the Properties, both physically and financially, or cause losses that materially exceed insurance coverage. As a result of the foregoing, EHT's ability to generate revenues and the value of its Properties could decline materially.

Hospitality and hospitality-related businesses are capital intensive and the growth of EHT may be affected if it is unable to obtain financing on favourable terms or at all.

The Properties will require periodic capital expenditures, refurbishments, renovation and improvements to remain competitive. The acquisition or development of additional hospitality and hospitality-related assets will also require significant capital expenditures. There is no assurance that EHT will be able to fund capital improvements, acquisitions or development solely from cash generated by its operating activities. Additional equity or debt financing is subject to prevailing conditions in the equity and debt markets, and may not be available on favourable terms or be available at all. Further, the reserves for capital improvements and FF&E set aside by EHT may not be sufficient.

(See also the risk factor "EHT faces risks associated with debt financing" and "Business and Properties – Other General Information about the Initial Portfolio – Further Asset Enhancements Post-Listing" for further details.)

The hospitality industry is highly competitive and the performance of EHT may be affected by increasing supply of hospitality assets in its key markets.

The hospitality industry is highly competitive and on-going completion of new hotels or renovations of competing hotel properties can reduce the competitiveness of older or existing properties. The Properties and future assets of EHT will experience competition primarily from similar grade hotels in their immediate vicinity, and also with other hotels in their geographical market. The level of competition is affected by various factors, including (i) changes in local, regional and global economic conditions, (ii) changes in local, regional and global populations, (iii) the supply and demand for hospitality properties and (iv) changes in patterns and preferences. The success of a hotel will largely depend on its ability to compete in areas such as quality of accommodation, room rates, level of service, brand recognition, convenience of location and the quality of lobby areas, F&B facilities and other amenities. Competing hotels may offer more facilities at their premises at similar or more competitive prices compared to the facilities offered at the Properties. Competitors may also significantly lower their rates or offer greater convenience, services or amenities to attract more customers. If these efforts are successful, the results of operations at the Properties may be adversely affected. (See "Business and Properties – Outlook for the Hospitality Sector" for details of the competition.)

A general inability of the Properties to compete effectively could adversely affect the business, financial condition, results of operations and prospects of EHT.

The hospitality industry is service-oriented and EHT may be adversely affected if the Master Lessee is unable to compete effectively for skilled hospitality employees.

The hospitality industry is a service-oriented industry and is very labour-intensive. Competitors may compete aggressively for skilled hospitality employees, which would increase the operating cost of the Properties. In addition, the hospitality staff of the Master Lessees or the Hotel Managers may be poached by existing or new competitors in the market, which may have an adverse effect on the operations of the affected Property. A shortage of manpower may translate to lower service quality, which may in turn affect guests' lodging experience and drive existing customers away from the properties of EHT and could adversely affect the business, financial condition, results of operations and prospects of EHT.

The operations of the Properties require certain Hotel Licences and Liquor Licences and any failure to obtain, renew or obtain the transfer of, such Hotel Licences and Liquor Licences may adversely affect the operations of EHT.

The operation of hotels is generally subject to various state and local laws and regulations. Such laws may require EH-REIT, EH-BT, their subsidiaries, the Master Lessees and/or the Hotel Managers (as the case may be) to be licensed and to obtain approvals, licences and/or permits to operate the Properties including but not limited to (i) operational permits (e.g. pool licences, fire safety, elevator permits, and restaurant permits) and (ii) licences relating to the operation and use of the Property or the operation of the Hotel in a particular state (the "**Hotel Licences**"). In addition, the states of the United States have licensing requirements in relation to the sale of alcohol on hotel premises. Such laws and regulations may require EH-REIT, EH-BT, their subsidiaries, the Master Lessees and/or the Hotel Managers (as the case may be) to be licensed and to obtain approvals to sell alcohol on the premises (the "**Liquor Licences**"). While the Managers do not foresee any material difficulties in the renewal of the material Hotel Licences and Liquor Licences, and there are no conditions which they would have difficulties satisfying with respect to the renewal, there is no assurance that such material Hotel Licences and Liquor Licences may be renewed in the future. The withdrawal, suspension or non-renewal of Hotel Licenses and Liquor Licenses, or the imposition of any penalties, as a result of any infringement or non-compliance with any laws, rules or regulations applicable to the Properties, may have an adverse impact on the businesses at the Properties and their results of operations. Further, any changes in such laws, rules and regulations may also impact the businesses at the Properties and may result in higher costs of compliance. Any failure to comply with new or revised laws, rules and regulations could result in the imposition of fines or other penalties by the relevant authorities or result in the loss of the right to conduct the particular activity. This could have an adverse impact on the revenue and profits of the Properties or otherwise adversely affect their operations.

RISKS RELATING TO THE PROPERTIES

Renovation work, repair and maintenance to the Properties may disrupt EH-REIT's operations.

The Properties may need to undergo renovation works from time to time to retain their attractiveness to guests and may also require *ad hoc* or regular maintenance or repairs in respect of faults or problems that may develop or because of new planning laws, regulations or physical damage. See "Business and Properties – Other General Information about the Initial Portfolio – Further Asset Enhancements Post-Listing" for further details. In addition, the Queen Mary Long Beach is located aboard a historic British Ocean liner and is subject to damage associated with ships such as the ordinary wear and tear of the ship. The costs of maintaining the Properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the Properties age. The business and operations of the Properties may be disrupted as a result of renovation work, repair and maintenance, and it may not be possible to collect the full rate of, or, as the case may be, any rental income on the space affected by such renovation works, repair and maintenance. This may adversely affect the performance of the Master Lessees of the affected Properties and their ability to make timely rental payments to EH-REIT under the relevant Master Lease Agreements, and consequently, the ability of EHT to make distributions to the Stapled Securityholders.

The due diligence on the Properties, leases, buildings and equipment and on the existing holding structure of the USHI Portfolio and the ASAP6 Portfolio may not have identified all material defects, breaches of laws and regulations inherent or historical tax liabilities and other deficiencies.

While the Managers believe that reasonable due diligence investigations with respect to the Properties have been conducted, there is no assurance that the due diligence investigations will uncover all defects or deficiencies relating to the Properties including defects which require repair or maintenance (such as design, construction or other latent property or equipment defects in the Properties which may require additional capital expenditure, special repair or maintenance expenses) or will uncover all non-compliance with the laws and regulations in relation to the Properties or their holding entities. The experts' reports that the Managers rely on as part of their due diligence investigations of the Properties are subject to uncertainties or limitations as to their scopes. Such undisclosed defects or deficiencies may require significant capital expenditures to rectify defects or deficiencies or may involve additional obligations to third parties which may have a material adverse effect on EH-REIT's results of operations, earnings and cash flows. Should any of the Properties or their holding entities not be in compliance with certain laws and regulations, EH-REIT may also incur financial or other obligations in relation to such breaches or non-compliance or lose the right to conduct the particular activity. To the extent the breach or non-compliance is a breach of a representation or warranty under the Securities Purchase Agreement, EH-REIT would have a claim against the Vendors pursuant to the indemnification provisions of the Securities Purchase Agreement, which is subject to limitations such as the quantum of a claim and the time period.

In addition, EH-REIT will be acquiring the USHI Portfolio and the ASAP6 Portfolio through their existing holding structures. Accordingly, EH-REIT will be exposed to the historical and future liabilities and obligations of these entities under the existing holding structures following the completion of the acquisition, as EH-REIT will be ultimately responsible for satisfying these liabilities and obligations. These liabilities could include ordinary course-type liabilities and obligations relating to the operations of the entities in the past or the future, as well as liabilities or obligations arising from such entities being operated other than in compliance with real estate, tax, financial services and other laws and regulations and/or obligations to third parties (including unidentified historic liabilities or obligations). While the Managers have not identified from their due diligence specific material liabilities relating to the historical operations of the entities which appear significant and outside the ordinary course of business and which are not otherwise factored into the disclosures in this Prospectus, there can be no assurance that there are no undisclosed liabilities other than those disclosed in this Prospectus. Such undisclosed defects or deficiencies may include obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse effect on EH-REIT's net assets, earnings and cash flows. In addition, while the Securities Purchase Agreement provides for the apportionment of all disclosed liabilities of the entities being acquired, including (i) liabilities arising under any contract or agreement to which any of those entities is a party; (ii) liabilities owed to a vendor or service provider; (iii) liabilities arising from any third party claim against any of those entities (other than tax liabilities); and (iv) tax liabilities, there can be no assurance that EH-REIT will not have significant unidentified liabilities which should have been disclosed and apportioned. Moreover, while the Securities and Purchase Agreement contains representations and warranties as to various factual matters related to the entities under the existing holding structure and EH-REIT will be able to assert claims for breach of warranties, such claims are subject to limitations such as the quantum of a claim (in this case, the aggregate liability of the Vendors shall not exceed US$11.0 million) and the time period.

EH-REIT has obtained tax indemnities from USHI Portfolio Vendor and the ASAP6 Portfolio Vendors. Under the Securities Purchase Agreement, the USHI Portfolio Vendor and the ASAP6 Portfolio Vendors provide certain tax-related representations which cover, as a general matter, the absence of deficiencies, liens, audits and related matters that could lead to a tax-related indemnity

claim. However, such indemnities are subject to limitations such as the quantum of a claim, an aggregate materiality qualifier and the time period for making a claim (See "Certain Agreements relating to EHT, EH-REIT, EH-BT and the Properties – Securities Purchase Agreement"). In the event that the entities in the existing holding structures taken over by EH-REIT are subject to tax liabilities which were previously not identified or the tax indemnity is insufficient to cover the liabilities incurred, this may have a material adverse effect on the business, financial condition, results of operations and prospects of EH-REIT.

Some of the Properties may be classified as legally nonconforming under local zoning regulations in the US and/or be exposed to potential liability arising from encroachment over easement rights.

It is customary for institutional buyers of commercial real estate in the US to procure a third-party company to prepare a zoning report to determine whether a property is in compliance with local zoning standards. In connection therewith, the Managers have engaged a third-party consultant that specialises in zoning due diligence to prepare the zoning reports. Based on the zoning reports received for the Properties, four of the Properties presently do not conform with the relevant current local zoning regulations with regards to matters including, among others, building set-back lines, building height limitations, maximum floor area ratio, maximum guest room allowances and parking. While these Properties may have been built in compliance with then-applicable zoning requirements, due to changes in local zoning requirements, they do not comply with the current relevant local zoning regulations. These properties are the Sheraton Pasadena, Holiday Inn Denver East Stapleton, Holiday Inn Hotel & Suites San Mateo, and Embassy Suites by Hilton Anaheim North. However, if significant damage occurs to such properties or the property owner desires to rebuild a building beyond the applicable threshold set forth in the then-current applicable zoning laws and regulations, the property owner may have to rebuild the applicable building in accordance with the then-current zoning regulations, which may mean that the property owner may not be able to build the building in the same manner as it existed before the damage occurred. (See "Overview of Relevant Laws and Regulations in the US – Relevant Laws and Regulations in the United States".)

In addition, The Westin Sacramento, which is adjacent to the Sacramento River, encroaches upon certain easements held by various governmental authorities for, among other things, the construction and maintenance of levees along the Sacramento River, as well as for bicycle access. The zoning report and title search for the Property did not reference any modern citations for non-compliance relating to these easements. In addition, the easements have been in place since the 1940s and 1960s in relation to the easements for construction of levees and since the 1980s in relation to the easement for bicycle access.

Notwithstanding that the zoning reports do not recommend EHT to take any remedial action to rectify the non-compliance and/or encroachment over easement rights, there is no assurance that the relevant authorities will not require EHT to remedy the situation. In the event that EHT is required to ensure that its Properties comply with the relevant local zoning regulations or to remedy any encroachments, additional expenses might be incurred and this may have an adverse effect on the business, financial condition, results of operations and/or prospects of EHT and its ability to make distributions to the Stapled Securityholders.

Consistent with commercial real estate practices in the United States, EHT will obtain a title insurance policy for each Property in the Initial Portfolio which will insure EHT against certain risks related to title of the Properties (and, to the extent possible, against violations of certain zoning requirements applicable to the Properties, for example by having the title company issue an endorsement to the applicable title policy providing coverage regarding (i) the zoning classification of the Property and (ii) the types of uses allowed under such classification) for 100% of the relevant Property's purchase price. (See "Overview of Relevant Laws and Regulations in the United States – Relevant Laws and Regulations in the United States".) However, EHT may not

have recourse under the title insurance policies for all losses or liabilities which it might suffer or incur in connection with the Properties, for example certain standard exclusions such as taxes that are not yet due and payable but appearing as a lien on title, certain laws pertaining to zoning, environmental protection, subdivision and others, governmental rights of eminent domain, liens and other title items known to the applicable property owner but not reported to the title company, bankruptcy rights or in relation to coverage over easements encroachments (such as the easement encroachment at The Westin Sacramento).

As of the date of this Prospectus, the Managers believe that the above-listed Properties being classified as legally non-conforming or having encroached upon certain easement rights would not have a significant adverse impact on EHT. The designation of a Property as legal nonconforming is typically not a material issue because it is generally regarded as a legally valid status. In the case of The Westin Sacramento, it is unlikely that the applicable governmental authority would look to enforce such easements by means of altering or destroying an existing physical structure (especially in the absence of flooding), although no assurances can be made.

In addition, there remains a risk related to easement encroachment in that the easement holder (which may or may not be a governmental authority) would seek to enforce the easement itself. There are customarily no material penalties imposed by governmental authorities for a Property being classified as legally non-conforming or having encroached upon certain easement rights, and such status does not affect the current use and operations of the properties. The contribution of the Properties which are classified as legally non-conforming or have encroached upon certain easement rights to EH-REIT's revenue (excluding the amortisation of deferred income, effect of straight-lining of rental income and income to be recovered) for Forecast Period 2019 and Projection Year 2020 are 24.9% and 24.6% respectively and net property income (excluding the amortisation of deferred income, the effect of straight-lining of rental income and timing differences relating to property tax) for Forecast Period 2019 and Projection Year 2020 are 24.6% and 24.3% respectively.

Certain of the Properties are subject to rights of first refusal under the relevant franchise and license agreements.

Renaissance Denver Stapleton, Renaissance Woodbridge and Crowne Plaza Danbury are operated, and will continue to be operated after the closing of the Offering, under Franchise Agreements which contain rights of first refusal or pre-emptive rights exercisable by the applicable franchisor or licensor (as the case may be) in the event of any transfer (such as an asset sale) of part and/or all of the relevant Property. Under the Franchise Agreements entered into with Marriott effective upon the closing of the Offering, with respect to Westin Sacramento, Four Points by Sheraton San Jose Airport, the Sheraton Pasadena and Sheraton Denver Tech Center, the applicable Master Lessees have granted similar rights of first refusal to Marriott that were not applicable under the previously effective Franchise Agreements. With respect to all these properties except for the Crowne Plaza Danbury, this right only applies to a transfer to a competitor of the franchisor or licensor (as the case may be) and also covers the direct or indirect ownership interests in the Property. Where this right exists, EH-REIT must first offer the relevant franchisor or licensor (as the case may be) an opportunity to purchase the relevant Property (or part thereof or ownership interests). The existence of these rights may limit third-party offers for the Property and otherwise inhibit EH-REIT's ability to obtain the highest price possible in the event that the Property is marketed and sold. The existence or operation of these rights may also delay the timing of any sale of the Property. For the avoidance of doubt, any acquisition or disposal of the Properties by EH-REIT will be subject to Chapter 10 of the Listing Manual.

To the extent any sale of these Properties is delayed or the sales price is reduced due to the operation of these rights of first refusal, the amount of cash available for distribution to Stapled Securityholders of EHT may be adversely affected.

EHT and/or the Master Lessee could incur significant costs or liability related to environmental matters.

The ownership and operation of the Properties are subject to various federal, state and local environmental laws and regulations, including those relating to air emissions, water and effluent discharges, noise pollution, the use, storage, handling, management, release, discharge, treatment and disposal of hazardous substances, including petroleum products, toxic materials, pollutants, contaminants, and solid or hazardous waste, and worker health and safety. Under certain of these laws and regulations, the liability imposed is strict, joint and several, and a current or former owner or operator of real property may be subject to liability for the investigation, remediation or monitoring of hazardous or toxic substances or wastes on, in, at, under or from such real property, regardless of whether they directly caused the contamination or violated any law or regulation at the time of such discharge or disposal. EHT, as the owner of the Properties, and the Master Lessee as the operator of the Properties, may be required to investigate, remediate or monitor contaminant releases at its Properties.

As the owner and operator of real property, EHT and/or the Master Lessee (as the case may be) could be held responsible to a governmental entity or third parties for property damage, natural resource damage, personal injury claims and investigation and clean-up costs in connection with the presence or release of any hazardous or toxic substance or waste on, in, at, under or from such real property, without regard to whether EHT and/or the Master Lessee (as the case may be) knew of, or was responsible for such hazardous or toxic substance or waste. EHT and/or the Master Lessee may also be liable for the costs of remediating contamination at off-site disposal or treatment facilities when EHT and/or the Master Lessee (as the case may be) arranges for disposal or treatment of hazardous substances or waste at such facilities, without regard to whether EHT and/or the Master Lessee was in compliance with applicable environmental laws and regulations. The presence of contamination from such substances or wastes could interfere with ongoing operations or materially adversely affect EHT's ability to sell or lease the Properties or to borrow using the Properties as collateral.

EHT and/or the Master Lessee is also required to obtain and comply with the terms and conditions of certain permits required pursuant to applicable environmental laws and regulations in connection with its operations and real properties, which impose limits on EHT's and/or the Master Lessee's ability to emit and discharge hazardous substances into the environment. Failure to comply with these laws, regulations and permits may trigger administrative, civil and criminal enforcement measures, including the assessment of civil and criminal fines and penalties, the imposition of corrective action obligations, or the issuance of injunctions limiting some of EHT's and/or the Master Lessee's operations. EHT may be required to incur costs and expend funds in the future, to comply with environmental legal requirements, including in connection with the management, abatement, removal and disposal of asbestos-containing materials, lead-based paint, and mold at its real properties. The presence of asbestos-containing materials or lead-based paint at any of the Properties could increase any future renovation or development costs, and subject EHT to fines and penalties and other liabilities and costs in the event compliance is not maintained. EHT may also be exposed to third party liability, such as liability for personal injury associated with exposure to asbestos. The Managers believe EHT's properties and operations are in compliance, in all material respects, with all applicable federal, state and local environmental laws and regulations. However, additional or increased operating costs and capital expenditures could be incurred if additional or more stringent requirements are promulgated and take effect in the future. The Managers cannot predict with any certainty the magnitude of EHT's and/or the Master Lessee's future expenditures relating to environmental compliance or the long-range effect, if any, of environmental laws and regulations on its operations. Environmental liability gives rise to a number of risks, including:

- the risk of prosecution by environmental authorities;

- the requirement for unbudgeted additional expenditure to investigate, remedy or otherwise address such issues;

- the adverse impact on the operations at the affected Property which may in turn adversely affect the revenue of EHT; and

- the adverse impact on the value of the affected Property.

EHT and/or the Master Lessee may not have adequate insurance coverage for losses that it may incur as a result of known or unknown environmental conditions. While the Managers do not believe that there are environmental conditions at or in connection with any of the Properties that will materially and adversely affect EHT and/or the Master Lessee, there can be no assurance that environmental conditions present at the Properties, now or in the future, will not materially and adversely affect them.

The representations, warranties and indemnities granted in favour of EH-REIT by the vendors of the Properties are subject to limitations as to their scope and the amount and timing of claims which can be made thereunder.

Consistent with commercial real estate practices in the United States, the representations, warranties and indemnities granted in favour of EH-REIT by the vendors of the Properties are subject to limitations as to their scope and amount and timing of claims which can be made thereunder. (See "Certain Agreements Relating to EH-REIT and the Properties – Securities Purchase Agreement" for further details of such limitations.) There can be no assurance that EH-REIT will be reimbursed under such representations, warranties and indemnities for all losses or liabilities suffered or incurred by it as a result of its acquisition of the Properties. Also consistent with commercial real estate practices in the United States, EH-REIT will obtain a title insurance policy for each Property in the Initial Portfolio which will insure each property holding LLC against certain risks related to title to the Properties owned by each property holding LLC (and against violations of certain zoning requirements applicable to the Properties) for 100.0% of the relevant Property's purchase price. (See "Overview of Relevant Laws and Regulations in the United States – Deed Recordation and Title Insurance".)

EH-REIT may not have recourse under the Securities Purchase Agreement or the title insurance policies for all losses or liabilities which it might suffer or incur in connection with the Properties and it will need to rely on its own due diligence in addition to the indemnities provided by the vendors and the title insurance provided by the title insurance companies to help mitigate against the risk of such losses and liabilities. While the Managers believe that reasonable due diligence has been, and will be, performed with respect to the Properties and that the due diligence conducted has not raised any material adverse findings in relation to the Properties, there can be no assurance that there will not be any losses or liabilities suffered by EH-REIT in connection with the Properties beyond the limits of the recourse under the indemnities and title insurance. In the event that EH-REIT suffers losses or liabilities in connection with the Properties which it has no recourse or only limited recourse to under the Securities Purchase Agreement or the title insurance policies, its financial condition, business, results of operations and/or prospects may be materially adversely affected. (See "Certain Agreements Relating to EHT, EH-REIT, EH-BT and the Properties – Securities Purchase Agreement".)

The appraisals of the Properties are based on various assumptions and the price at which EH-REIT is able to sell a Property in future may be different from the initial acquisition value of the Property.

The valuation of each of the Properties prepared by the Independent Valuers is contained in Appendix D, "Independent Property Valuation Summary Reports". The appraisals of the Properties are based on different methodologies. Primarily, the discounted cash flow method was employed and there can be no assurance that the assumptions relied on are reasonable measures of the market. The appraisals of the Properties arrived at by the Independent Valuers may have included a subjective determination of certain factors relating to the Properties, such as their relative market positions, financial and competitive strengths and physical condition. 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. The price at which EH-REIT may be able to sell a Property in future may be lower than its appraised value or the initial acquisition price of the Property.

EH-REIT may invest in properties through investments in property-owning vehicles, and may in the future utilise a variety of investment structures for the purpose of investing in a property. Where a property or an interest in a property is acquired through a company or investment structure, the value of the company or investment structure may not be the same as the value of the underlying property due to, for example, environmental, contingent, and contractual or other liabilities, or structural considerations. As a result, there can be no assurance that the value of investments made through those structures will fully reflect the value of the underlying property.

EH-REIT may suffer material losses in excess of insurance proceeds or in respect of losses which are uninsured.

The Properties face the risk of physical damage caused by fire, acts of God such as natural disasters or other causes, as well as potential public liability claims, including claims arising from the operations of the Properties.

In addition, certain types of risks (such as terrorism, war risk, losses caused by the withholding of supply of utilities by a supply authority and contamination or other environmental conditions or breaches) may be or become uninsurable in certain jurisdictions or the cost of insurance may be prohibitive when compared to the risk.

With effect from the Listing Date, except for the Queen Mary Long Beach which is on a triple-net lease, the REIT Trustee will take out and maintain, among others, at EH-REIT's cost, property insurance policy insuring the relevant Hotel, the infrastructure, plant and equipment and the contents of the relevant Hotel. In addition, the Master Lessee must, at their own cost, take up and maintain umbrella insurance policy, pollution liability coverage, general liability policy, insurance related to workers' compensation, employment practices liability insurance, cyber liability policies, public liability insurance, insurance related to workers' compensation and business interruption insurance for the respective rights and interests of the Master Lessor and the Master Lessee. EH-REIT and the Master Lessee may mutually agree to an insurance buying plan which may be undertaken by the hotel manager to effectuate the insurance requirements set forth herein.

EH-REIT and/or the Master Lessees may not have adequate insurance coverage for losses they may incur. Should an uninsured loss or a loss in excess of insured limits occur, EH-REIT and/or the Master Lessees could be required to pay compensation and/or lose capital invested in the affected Property as well as anticipated future revenue from that Property. There can be no assurance that material losses in excess of insurance proceeds or in respect of losses which are uninsured will not occur in the future.

Planned amenities and transportation infrastructure near the Properties may not be implemented as planned, or may be closed, relocated, terminated, delayed or not completed.

There is no assurance that amenities, transportation infrastructure and public transport services near the Properties will be implemented as planned or will not be closed, relocated, terminated, delayed or completed. If such an event were to occur, it may adversely impact the accessibility of the relevant Property and the attractiveness and marketability of the relevant Property to guests and tenants. This may have an adverse effect on the demand and the room and occupancy rates for the relevant Property and adversely affect the business, financial condition and results of operations of EHT.

RISKS RELATING TO EHT'S OPERATIONS

The loss of a Master Lessee, a down-turn in the business of the Sponsor and/or a Master Lessee or any breach by a Master Lessee of obligations under the respective Master Lease Agreement could have an adverse effect on the financial condition, results of operations and prospects of EHT.

On the Listing Date, each Property will be leased to a Master Lessee. EH-REIT is dependent upon rental payments from the Master Lessees, which are wholly-owned by the Sponsor. The operations of the Properties through the Master Lessees will constitute a substantial portion of the Sponsor's business, and the ability of the Sponsor to continue its business is dependent on the profitability of such operations of the Properties. The business, financial condition, results of operations and prospects of EHT will depend substantially upon the Sponsor's continuation of its business and the Master Lessees' ability to make timely rental payments.

The Master Lessees have appointed the Hotel Managers to manage the Properties. The performance of the Master Lessees and their ability to pay rent may be affected by factors beyond their control, such as the performance of the Hotel Managers, as well as changes in general economic conditions and the hospitality industry, the operational or financial performance of demand for the Properties, competition in the hospitality industry and hospitality-related businesses and other factors relating to the operations of the Properties.

If the Sponsor's and/or each Master Lessee's business of operating the Properties is not profitable, the Master Lessees may terminate or decide not to renew the Master Lease Agreements on expiry. This will in turn adversely affect the financial performance, and consequently the distributions which EHT may be able to make to Stapled Securityholders. The amount of rental and the terms on which each Master Lease Agreement is renewed may be less favourable than the current Master Lease Agreement. The replacement of a Master Lessee on satisfactory terms may not be carried out in a timely manner or at all. Notwithstanding that as a last resort, EH-BT will step in as the Master Lessee, there can be no assurance that EH-BT will be able to provide a similar amount of income from such Property.

The Master Lessees may not maintain the Properties properly.

The Master Lessees may not maintain the Properties properly, resulting in substantial deferred capital expenditure. Lack of capital or insufficient cash flow may adversely impact future operations and profitability of the Properties, thereby adversely affecting the ability of the Master Lessees to fund costs of repairs, maintenance, contribution to the CIF Reserve (as defined herein), operating equipment[1] and inventories and/or to make rental payments to EHT.

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1 Items customarily referred to as "**operating equipment**" in the hotel industry include, but are not limited to, glassware, silverware, cutlery, chinaware, crockery, linen and uniforms as well as all those items generally required for the day-to-day operation of a hotel.

In addition, should the Master Lessees fail to provide adequate management and maintenance, the value of the Properties may be adversely affected. Inadequate management and maintenance of the Properties may also result in a loss of hotel guests, tenants and rental income from the Properties, which may in turn adversely affect distributions to Stapled Securityholders.

The loss of a brand licence for any reason, including due to failure to make required capital expenditures, could adversely affect the financial condition and results of operations of the EHT.

All but one of the Properties operate under licensed brands pursuant to franchise or license agreements with Hotel Franchisors (as franchisor or licensor). The maintenance of the brand licence for a Property is subject to the hotel brand's operating standards and other terms and conditions, including the ability to require the owner of the Property to make capital expenditures pursuant to PIPs in the ordinary course of business. A PIP is a schedule of specific improvements and renovations imposed by the Hotel Franchisor on a Master Lessee (as franchisee) under the applicable Franchise Agreement to undertake (and fund) over a period of time, and is typically required every seven to ten years. Compliance and progress with the PIP is monitored by the Hotel Franchisors and failure to perform a PIP on the timetable agreed to with the Brand may constitute a breach by the franchisee under the applicable Franchise Agreement.

(See "Business and Properties – Other General Information about the Initial Portfolio – Further Asset Enhancements Post-Listing" for further details.)

In the event of any revision to the Franchise Agreement or Hotel Management Agreement in relation to a change in control or interest of such Property, any refinancing of indebtedness or under other circumstances, the Hotel Franchisor may require the Master Lessee (as franchisee) to enter into an additional PIP to bring the physical condition of the Properties into compliance with the applicable brand specifications and standards. In connection with the IPO and change in control or interest in the Initial Portfolio resulting in an assignment of the existing Franchise Agreement to, or the entry into a new Franchise Agreement by, the applicable Master Lessee, the Hotel Franchisors of certain Properties may require additional PIPs (which the Managers believe take into account the current condition of the Property and the proximity in time to the most recent PIP that was undertaken at such Property). Such additional PIPs should be covered by the CIF Reserve[1].

If the Master Lessee defaults on a Franchise Agreement as a result of a failure to comply with the PIP requirements, the Hotel Franchisor may have the right to terminate the applicable agreement, the Master Lessee may be required to pay the Hotel Franchisor liquidated damages, and the Master Lessee may also be in default under the applicable hotel indebtedness. In addition, if the Master Lessee does not have enough reserves for or access to capital to supply needed funds for capital improvements throughout the life of the investment in a property and there is insufficient cash available from operations, the Master Lessee may be required to defer necessary improvements to a property, which may cause that property to suffer from a greater risk of obsolescence, a decline in value, or decreased cash flow, which may in turn adversely affect EHT's results of operations and its ability to make regular distributions to Stapled Securityholders. Moreover, under the Master Lease Agreements, a Master Lessor is obligated to fund, directly or indirectly, and cause to be completed, directly or indirectly, any Major Capital Improvement[2]

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1 For the avoidance of doubt, Crowne Plaza Dallas Near Galleria-Addison, Sheraton Denver Tech Center, Hilton Houston Galleria Area, Doubletree by Hilton Salt Lake City Airport, Holiday Inn Resort Orlando Suites – Waterpark and Holiday Inn Hotel & Suites San Mateo have outstanding asset enhancement works or PIPs. Please refer to "Business and Properties – Further Asset Enhancements Post-Listing" for further details of these asset enhancement works.

2 Under the Master Lease Agreements, a Major Capital Improvement means any material capital improvement that (i) involves a material physical expansion or alteration of the premises (including adding or removing guest rooms or meeting space or changing the configuration or layout of the hotel) or (ii) involves the essential fabric of the hotel being the foundations, load bearing walls,structural columns, structural floors or structural ceilings including the façade of the hotel.

required under the Franchise Agreement or Hotel Management Agreement. Accordingly, while the PIP itself is an obligation of the Master Lessee to the Hotel Franchisor, the Master Lessor has a direct and active obligation to fund and otherwise cause the completion of any work required to complete a PIP that is also a Major Capital Improvement).

If any of the Properties were to lose a brand licence for any reason, including failure to meet the requirements of the PIPs, the affected hotel(s) would need to be re-branded. As a result, the underlying value of a particular Property could decline significantly from the loss of associated name recognition, marketing support, participation in guest loyalty programs and the centralised system provided by the Hotel Franchisor, which, among other things, could reduce income from the impacted Property. Furthermore, the loss of a franchise licence at a particular Property could harm the relationship of the REIT Manager and EHT with the applicable Hotel Franchisor, which could impede the ability to operate other hotels under the Hotel Franchisor's brands, limit the ability to obtain new franchise licences from the Hotel Franchisor in the future on favourable terms, or at all, and result in incurrence of significant costs to obtain a new franchise licence for the particular Property (including a likely requirement of a PIP for the new brand, a portion of the costs of which would be related solely to the change in brand rather than substantively improving the Property). The loss of a franchise licence could also be an event of default under the indebtedness that secures the Property if a suitable replacement cannot be found, which may in turn adversely affect EHT's financial condition and results of operations and its ability to make regular distributions to Stapled Securityholders.

EH-REIT has no direct control over the Hotel Managers and the Hotel Franchisors.

The financial performance of EH-REIT, including the distributions which may be made to Stapled Securityholders, is dependent upon the Gross Operating Revenue and Gross Operating Profit of each of the Properties. EH-REIT has entered into long-term master lease agreements with each of the Master Lessees which generally have, subject to certain limitations, full discretion in the operation of the Properties. The Master Lessees have in turn each entered into a hotel management agreement with the Hotel Managers and franchise agreement and/or license agreements (as the case may be) with the Hotel Franchisors. Although EH-REIT has the right, under certain limited circumstances, to approve the replacement of the Hotel Managers or the Hotel Franchisors, there is no direct contractual relationship between EH-REIT and the Hotel Managers or the Hotel Franchisors. In addition, although the Master Lessee is not entitled to waive (or fail to enforce) any material breach or default by the Hotel Manager under the Hotel Management Agreement without the consent of the Master Lessor, there is no direct contractual relationship between EH-REIT and the Hotel Managers. Accordingly, the financial performance of EH-REIT is dependent on the performance of the Master Lessees, the Hotel Managers and the Hotel Franchisors and EH-REIT has no direct control over the operations, management, branding or marketing of the Properties. There is therefore no assurance that the Properties will continue to be operated, managed, maintained, branded or marketed well in the future and this may consequently affect the business, financial condition, results of operations and prospects of EHT.

EHT may be affected by adverse developments or negative publicity affecting Hotel Managers, the Hotel brands, the Sponsor and/or Master Lessees.

The Hotels in the Initial Portfolio will be managed by different Hotel Managers and the Hotels (other than The Queen Mary Long Beach) are marketed and operated under various brand names of the Hotel Franchisors. Any degradation or adverse market developments relating to the reputation of these Hotel Managers, brand names of the Hotel Franchisors whose name the Hotels are branded under and their respective affiliates could adversely affect the business, financial condition, results of operations and prospects of EHT as such degradation or adverse market developments may adversely affect the reputation of the Properties and their attractiveness to guests and customers, thereby affecting the occupancy rates of the Properties.

In addition, any adverse developments, negative publicity and future financial challenges experienced by the Sponsor and/or Master Lessees may directly result in negative perceptions of EHT due to EHT's close association with the Sponsor and/or Master Lessees, which could have a material adverse effect on the financial condition and results of operations of EHT and, in turn, its ability to make distributions to Stapled Securityholders.

EHT is exposed to the risk of litigation from its hotel guests, customers, actual and potential partners, suppliers, employees, regulatory authorities, Master Lessees, Hotel Franchisors and/or the Hotel Managers.

EHT has been, currently is and may in the future be involved in legal and regulatory proceedings and otherwise subject to legal claims arising out of the ordinary course of its business for companies which own and operate hotels, including claims by the hotel guests, customers, actual and potential partners, suppliers, employees, regulatory authorities, Master Lessees, Hotel Franchisors and/or the Hotel Managers operating the hotels for, *inter alia*, breach of legal, contractual or other duties. For example, EHT is currently involved in legal and regulatory proceedings relating to personal injury claims arising from "slip and fall" cases commenced by hotel guests. However, no assurance can be given that disputes which could have a material adverse effect on the REIT, individually or in the aggregate, would not arise in the future. Sometimes the outcome of these proceedings cannot be predicted until late in the proceeding, if at all. While potential liability from these existing legal and regulatory proceedings is not expected to have a material adverse impact on EHT as they are generally covered by existing insurance, there can be no assurance that insurance coverage that EHT maintains in the future may cover its losses fully or at all and any inadequacy of coverage could 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.

EH-REIT may be adversely affected by a delay in the completion of asset enhancement works currently in progress or contemplated.

Asset enhancement works, which are currently in progress or may in the future be carried out by EH-REIT, including capital expenditures, could be imposed as part of PIPs required by the Hotel Franchisors in connection with the updating of hotels to the brand standards of the Hotel Franchisors, or in connection with the Hotel Franchisors consenting to the transactions relating to the purchase of indirect interest in the Initial Portfolio by EH-REIT and the entry into the Master Lease Agreements. Please see "Risk Factors – Risks Relating to EHT's Operations – The loss of a brand licence for any reason, including due to failure to make required capital expenditures, could adversely affect the financial conditions and results of operations of the EHT" for further details.

Any delay in the completion of the asset enhancement works may result in a potential loss in revenue, thereby adversely affecting the financial condition and results of operations of the relevant Properties and the rental payments made to EH-REIT. All this may in turn affect EHT's financial condition, results of operations and ability to make distributions to Stapled Securityholders.

The operations of EHT may be adversely affected by economic and real estate market conditions, as well as changes in regulatory, fiscal and other governmental policies in the United States.

The Initial Portfolio is, and future Properties will be, principally located in the United States. As a result, EHT's revenue and results of operations depend upon the performance of the U.S. economy. The U.S. economy is affected by global economic conditions which could adversely affect EH-REIT's results of operations and future growth. The global credit markets have in the past experienced, and may continue to experience, volatility and liquidity disruptions. These events could adversely affect EHT insofar as they result in:

- a decrease in business activity and an increase in the unemployment rate in the United States;
- a negative impact on the ability of the Master Lessees to pay their rents in a timely manner or continuing their leases, thus reducing EHT's cash flow;
- a decline in the market values of the Properties;
- an increase in counterparty risk (being the risk of monetary loss which EHT may be exposed to if any of its counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction);
- access to capital markets becoming more difficult, expensive or impossible resulting in a material adverse effect on EHT's ability to obtain debt or equity capital to fund its operations, meet its obligations, purchase additional properties or otherwise conduct its business; and/or
- an increased likelihood that one or more of (i) EHT's banking syndicates (if any), banks or insurers, as the case may be, providing bankers' guarantees or performance bonds for the rental deposits or other types of deposits relating to or in connection with the Properties or EHT's operations or (ii) EHT's insurers, may be unable to honour their commitments to EHT.

EHT's revenue is currently derived from properties located in various markets across eight states in the U.S., being Connecticut, California, Colorado, Orlando, New Jersey, Atlanta, Utah and Texas. A downturn in the economies of any of these markets or the impact that a downturn in the overall national economy may have upon these economies could result in reduced demand for hotel rooms. Further, EHT and the Properties will be subject to US real estate laws, regulations and policies. In addition, the US real estate market may be adversely affected due to interest rate hikes by the Federal Reserve, which would cause the cost of borrowing to rise. This may in turn lead to a fall in property prices. While there are no current exchange control restrictions or limitations on foreign investment in hospitality properties in the United States, there can be no assurance that regulatory, fiscal, monetary or governmental policies in the United States will not change.

In addition, the income and gains derived from investment in hospitality and hospitality-related assets will be subject to various types of taxes in the states where the assets are located, including income tax, state and local taxes, withholding tax, capital gains tax and any other taxes that may be imposed specifically for ownership of real estate. All of these taxes, which are subject to changes in laws and regulations that may lead to an increase in tax rates or the introduction of new taxes, could adversely affect and erode the returns from these hospitality and hospitality-related assets and hence affect the distribution yield to Stapled Securityholders. There is also no assurance that EHT will be able to repatriate to Singapore the income and gains derived from investment in hospitality and hospitality-related assets outside Singapore on a timely and regular basis. Any inability to repatriate the income and gains to Singapore will adversely affect EHT's ability to make distributions to Stapled Securityholders out of such income and gains.

EHT is exposed to certain risks in relation to information technology and systems.

EHT is reliant on certain technologies and systems for the operation of its business, whether belonging to EHT, the Master Lessees, the Hotel Managers or the Hotel Franchisors. Any system failures, data viruses, computer "hackers" or other causes may result in operational problems with such information systems. Bookings and reservations for hotel rooms are done through the platforms of the service providers including that of the Hotel Managers and Hotel Franchisors.

EHT may not have control over potential failures, outages or downtime over such information systems which could affect, among others, the delivery of reservations to its hotels. Any material disruption or slowdown of the information systems, especially any failures relating to its reservation system, could cause valuable information to be lost or operations to be delayed, which in turn could have a material adverse effect on the EHT's business, financial condition and results of operations and have a material adverse impact on the EHT's reputation.

There is no assurance that EHT will be able to leverage on the Sponsor's experience in the US hospitality sector.

Upon completion of the Offering, the Founders (through their wholly owned entities which hold the Stapled Securities) will hold an effective interest in 15.2% of the Stapled Securities (assuming the Over-Allotment Option is not exercised) or 10.9% of the Stapled Securities (assuming the Over-Allotment Option is exercised in full). (See "Ownership of the Stapled Securities" for further details.) Each of the Founders and their wholly owned entities which hold the Stapled Securities have agreed to the lock-up arrangements in respect of its or his effective interest in the Lock-up Stapled Securities. There is no assurance that each of the Founders and their wholly owned entities which hold the Stapled Securities will not dispose of its or his effective interest in the Stapled Securities following the expiry of the Lock-up Period. In the event that either of the Founders decides to transfer or dispose of his effective interest in the Stapled Securities, EHT may no longer be able to leverage on the Sponsor's experience in the ownership and operation of hospitality properties, market research and network of contacts in the US hospitality and hospitality-related industries to further its growth. This may have a material and adverse impact on EHT's results of operations and financial condition which may, as a consequence, affect EHT's ability to make distributions to Stapled Securityholders.

The Founders (through their wholly owned entities which hold the Stapled Securities) will be able to exercise influence over certain activities of EHT.

The Founders and/or any corporations which they directly or indirectly own are engaged in, among other things, real estate development. Immediately following the Offering and based on the Offering Price, it is intended that the Founders will collectively indirectly hold 132,204,000 Stapled Securities (assuming the Over-Allotment Option is not exercised), which is equivalent to 15.2% of the total number of Stapled Securities expected to be in issue at the Listing Date. The Founders will therefore be in a position to exercise influence in matters which require the approval of the Stapled Securityholders, which may be in conflict with the interest of Stapled Securityholders.

Any of the Founder ROFRs will be terminated if the conditions to the Founder ROFRs remaining in full force and effect are not satisfied.

Howard Wu and Taylor Woods have each granted the rights of first refusal (collectively, the "**Founder ROFRs**") respectively to EHT over any future sales by a HW Relevant Entity or TW Relevant Entity (both as defined herein) respectively of income-producing real estate which is used primarily for hospitality and/or hospitality-related purposes, principally located in the US, as well as real estate-related assets in connection with the foregoing.

The rights under the right of first refusal granted by Howard Wu to EHT ("**HW ROFR**") will be effective from the Listing Date and will cease immediately upon the occurrence of any of the following events: (i) EHT ceasing to be listed on and quoted for on the Main Board of the SGX-ST; (ii) the REIT Manager or any of its related corporations (as defined in the Companies Act) ceasing to be the manager of EH-REIT; (iii) the Trustee-Manager or any of its related corporations ceasing to be the trustee-manager of EH-BT; or (iv) Howard Wu ceasing to be a controlling shareholder of the REIT Manager and/or controlling shareholder of the Trustee-Manager.

The rights under the right of first refusal granted by Taylor Woods to EHT ("**TW ROFR**") will be effective from the Listing Date and will cease immediately upon the occurrence of any of the following events: (i) EHT ceasing to be listed on and quoted for on the Main Board of the SGX-ST; (ii) the REIT Manager or any of its related corporations (as defined in the Companies Act) ceasing to be the manager of EH-REIT; (iii) the Trustee-Manager or any of its related corporations ceasing to be the trustee-manager of EH-BT; (iv) Taylor Woods ceasing to be a controlling shareholder of the REIT Manager and/or controlling shareholder of the Trustee-Manager.

If any of the conditions to the Founder ROFRs ceases to be enforced, the Founder ROFRs will terminate and EHT will not be able to benefit from the Founder ROFRs. This may adversely affect EHT's ability to implement its acquisition growth strategy.

(See "Certain Agreements Relating to EHT, EH-REIT, EH-BT and the Properties – Right of First Refusal Agreements" for further details.)

EH-REIT and EH-BT may not have the same board of directors in the future, and this may lead to differences or deadlock in the future operations of EHT.

As at the Listing Date, the board of directors of the REIT Manager (the "**REIT Manager Board**") will be the same as the board of directors of the Trustee-Manager (the "**Trustee-Manager Board**" and collectively, the "**Board of the Managers**"), so as to avoid any differences or deadlock in the operations of EHT. However, there is no assurance that the composition of the two boards will remain the same in the future.

The circumstances in which each of the Managers may be removed differ. For example:

- Under the EH-REIT Trust Deed, the REIT Manager may be removed by the REIT Trustee upon the occurrence of certain events, including the passing of an Ordinary Resolution (as defined herein) (with no participants being disenfranchised) at a meeting of the EH-REIT Unitholders duly convened and held (see "Management and Corporate Governance – EH-REIT – Retirement or Removal of the REIT Manager").

- The EH-BT Trust Deed provides that the Trustee-Manager may be removed only if EH-BT Unitholders, by an Extraordinary Resolution duly passed (with no participants being disenfranchised) at a meeting of the EH-BT Unitholders duly convened and held (see "Management and Corporate Governance – EH-BT – Retirement or Removal of the Trustee-Manager").

The lower threshold of approval of EH-REIT Unitholders by way of an Ordinary Resolution (instead of an Extraordinary Resolution) for the removal of the REIT Manager, as well as the existence of other grounds for removal, gives rise to a higher possibility of the REIT Manager being removed and replaced as compared to the Trustee-Manager. In the event that only the REIT Manager is removed and replaced, the Trustee-Manager will be required to cooperate with the new manager of EH-REIT (which will have a different board of directors and management team from the Trustee-Manager) in the management of EHT.

As a result, EHT will lose the advantage of being managed efficiently by the same, or substantially the same, board of directors. Further, there can be no assurance that having different boards of directors for the management of EH-REIT and EH-BT will not lead to differences or deadlock in the operation of EHT, which may have adverse effects on the business, financial condition, results of operations and prospects of EHT and its ability to make distributions to the Stapled Securityholders.

The approval thresholds for the removal of the REIT Manager and the Trustee-Manager are different.

The circumstances in which the REIT Manager and the Trustee-Manager may be removed differ:

- Under the EH-REIT Trust Deed, the REIT Manager may be removed by the REIT Trustee upon the occurrence of a number of events, including the passing of a resolution by a majority consisting of 50.0% or more of the total number of votes present and voting (with no participants being disenfranchised) at a meeting of holders of EH-REIT Units duly convened and held. (See "Management and Corporate Governance – EH-REIT – Retirement or Removal of the REIT Manager" for further details.)

- The EH-BT Trust Deed however provides that the Trustee-Manager may be removed only by a resolution duly passed by a majority of holders of EH-BT Units consisting of 75.0% or more of the total number of votes present and voting (with no participants being disenfranchised) at a meeting of holders of EH-BT Units duly convened and held. (See "Management and Corporate Governance – EH-BT – Retirement or Removal of the Trustee-Manager" for further details.)

The lower threshold of Stapled Securityholders' approval for the removal of the REIT Manager, as well as the existence of other grounds, gives rise to a higher possibility of the REIT Manager being removed and replaced as compared to the Trustee-Manager. In the event that the REIT Manager is removed and replaced, the Trustee-Manager will be required to cooperate with the new manager of EH-REIT (which will have a different board of directors from the Trustee-Manager) in the management of EHT.

If the CMS Licence of the REIT Manager is cancelled or not renewed by the MAS or the authorisation of EH-REIT as a collective investment scheme under Section 286 of the SFA is suspended, revoked or withdrawn, the operations of EH-REIT will be adversely affected.

The CMS Licence issued to the REIT Manager is subject to conditions and is valid unless otherwise cancelled or renewed. If the CMS Licence of the REIT Manager is cancelled by the MAS, it will not be able to continue to be the manager of EH-REIT and the operations of EH-REIT will be adversely affected if no suitable manager is found or can be found in a timely manner.

EH-REIT has been authorised as a collective investment scheme and upon authorisation, it must comply with the requirements under the SFA and the Property Funds Appendix. In the event that the authorisation of EH-REIT is suspended, revoked or withdrawn, its operations will also be adversely affected.

The amount EH-REIT may borrow is subject to the aggregate leverage limit set out in the Property Funds Appendix, which may affect the operations of EHT.

Under the Property Funds Appendix, EH-REIT is permitted to borrow up to 45.0% of the value of the EH-REIT Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash, in EH-REIT Units or, as the case may be, Stapled Securities). As at the Listing Date, EH-REIT is expected to have approximately US$508 million of debt facilities, with total borrowings and deferred payments (if any) as a percentage of the EH-REIT Deposited Property (the "**Aggregate Leverage**") of approximately 38.0%. (See "Capitalisation and Indebtedness – Indebtedness" for further details.)

EHT may, from time to time, require further debt financing to achieve its investment strategies. In the event that EHT decides to incur additional borrowings in the future, EHT may face adverse business consequences of this limitation on future borrowings, and these may include:

- an inability to fund capital expenditure requirements in relation to EH-REIT's existing portfolio or in relation to EH-REIT's future acquisitions of additional hospitality and/or hospitality-related assets to expand its portfolio;

- a decline in the value of the EH-REIT Deposited Property may cause the borrowing limit to be exceeded, thus affecting EH-REIT's ability to incur further borrowings; and

- cash flow shortages (including with respect to distributions) which EH-REIT might otherwise be able to resolve by borrowings.

EHT faces risks associated with debt financing.

Both EH-REIT and EH-BT will be subject to risks associated with debt financing, including the risk that their cash flow will be insufficient to meet required payments of principal and interest under such financing and to make distributions to Stapled Securityholders.

EH-REIT's distribution policy is to distribute 100.0% of EH-REIT's Annual Distributable Income for the Forecast Period 2019 and Projection Year 2020 and at least 90.0% of its Annual Distributable Income thereafter. As a result of its distribution policy, if the cash flow from its operations is insufficient, EH-REIT may have to obtain additional debt or equity financing or both to meet its distribution obligations. There can be no assurance that such financing will be available on favourable terms or at all.

If EH-REIT or EH-BT defaults under the New Term Loan Facilities, the ASAP Mortgage Loans or the Unsecured Loan (each as defined herein), the respective lenders may be able to declare a default and initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided.

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, EH-REIT or, if applicable, EH-BT, will not be able to pay distributions at expected levels to Stapled Securityholders or to repay all maturing debt.

Both EH-REIT and EH-BT 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 both EH-REIT's and EH-BT's cash flow and the amount of distributions they could make 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 EH-REIT's or EH-BT'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 EH-REIT's or EH-BT's financial condition.

The New Term Loan Facilities and the ASAP Mortgage Loans also contain certain change of control events (see "Capitalisation and Indebtedness" for details of the change of control events under the terms of the New Term Loan Facilities and the ASAP Mortgage Loans), which if triggered, may constitute events of default and/or mandatory prepayment events under the New Term Loan Facilities and the relevant lenders may be able to initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided.

(See "Risk Factors – EHT's distribution policy may cause EHT to face liquidity constraints" and "Capitalisation and Indebtedness" for further details.)

EHT does not have an established operating history.

EH-REIT and EH-BT were both constituted on 11 April 2019. The REIT Manager and the Trustee-Manager were incorporated on 30 August 2018. As such, EH-REIT, EH-BT and the Managers do not have operating histories by which their respective past performances may be judged. This will make it more difficult for prospective investors to assess their likely future performance. There can be no assurance that (i) EH-REIT and EH-BT will be able to generate sufficient revenue from operations to make distributions, (ii) such distributions will be in line with those set out in "Profit Forecast and Profit Projection", or (iii) EH-BT will generate sufficient cash flow to meet its rental payment obligations to EH-REIT if it becomes a master lessee of any of the Properties.

EHT may depend on certain key personnel, and the loss of any key personnel may adversely affect its operations.

The performance of EHT may depend, in part, upon the continued service and performance of members of the senior management team and certain key senior personnel of the REIT Manager. These key personnel may leave the REIT Manager in the future or compete with the REIT Manager and EHT. The loss of any of these individuals or of one or more of the REIT Manager's other key employees and the inability to find suitable replacements on a timely basis could have a material adverse effect on the financial condition and results of operations of EHT.

A change of investment strategies may affect the Stapled Securityholders' investments in EHT.

The Managers may from time to time amend the investment strategies of EHT if they determine that such change is in the best interest of EHT and its Stapled Securityholders subject to the approval of the Stapled Securityholders if such change occurs within the first three years following the Listing Date. Following the expiry of three years from the Listing Date, the Managers may, subject to the requirements under the relevant laws, regulations and rules (including the Listing Manual) and within the limits of the Deeds, alter such investment strategies (subject to the requirements under the relevant laws, regulations and rules (including the Listing Manual) and within the limits of the Deeds) without the approval of the Stapled Securityholders by giving not less than 30 days' prior notice of the change to the REIT Trustee and the Stapled Securityholders by way of an announcement on SGXNET. The methods of implementing EHT's investment strategies may vary as new investment and financing techniques are developed or otherwise used. Such changes may adversely affect the Stapled Securityholders' investment in EHT.

Future acquisition may not yield the returns expected, may result in disruptions to EHT's business, may strain management resources and may result in dilution of holdings.

EHT's growth strategy and its market selection process may not be successful and may not provide positive returns to Stapled Securityholders. Acquisitions may disrupt the regular operations of EHT and divert the management's attention away from day-to-day operations. New Stapled Securities issued in connection with any new acquisition could also be dilutive to existing Stapled Securityholders.

EHT may be subject to liability in connection with any future disposal of investments.

EHT may dispose of investments in certain circumstances and may be required to give representations and warranties or be subject to defect liabilities in connection with a disposal of such investments. In the event that any such representations or warranties are inaccurate or any defects are found, EHT may be exposed to damages and other claims. Any liability in respect of any such representations or warranties or defect liabilities may adversely affect the business, financial condition, results of operations and prospects of EHT.

The Managers may not be able to successfully implement their investment strategy for EHT.

There is no assurance that the Managers will be able to implement their investment strategy for EHT successfully or that they will be able to expand the portfolio of EHT at any specified rate or to any specified size. The Managers may not be able to make acquisitions or investments on favourable terms or within a desired time frame.

EHT's ability to make new property acquisitions under its acquisition growth strategy may be adversely affected. 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. There is no assurance that EHT will be able to compete effectively against other property investors.

Further, the 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.

EHT may engage in hedging transactions, which can limit gains and increase exposure to losses, and not offer full protection against interest rate and exchange rate fluctuations.

EHT may enter into hedging transactions to protect itself from the effects of interest rate fluctuations on floating rate debt and exchange rate fluctuations. Hedging transactions may include entering into interest rate hedging instruments, purchasing or selling futures contracts, purchasing put and call options or entering into forward agreements. However, hedging activities may not always have the desired beneficial effect on the results of operations or financial condition of EH-REIT and/or EH-BT (as the case may be). No hedging activity can completely insulate EH-REIT or EH-BT from risks associated with changes in interest rates and exchange rates. Moreover, interest rate hedging could fail to protect EHT or adversely affect EHT because, among other things:

- the available hedging may not correspond directly with the risk for which protection is sought;
- the duration or nominal amount of the hedge may not match the duration of the related liability;
- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs the ability of EH-REIT and/or EH-BT (as the case may be) to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Downward adjustments and the significant loss in value of hedging instruments due to a write down to fair value would reduce the NAV of EHT.

Hedging involves risks and typically involves costs, including transaction costs, which may reduce overall returns. These costs increase as the period covered by the hedging increases and during periods of rising and volatile interest rates. These costs will also limit the amount of cash available for distributions to the Stapled Securityholders. The Managers will regularly monitor the feasibility of engaging in such hedging transactions taking into account the cost of such hedging transactions.

(See "Capitalisation and Indebtedness" and "Strategy" for further details.)

RISKS RELATING TO INVESTING IN REAL ESTATE

Real estate investments may be illiquid.

Real estate investments, particularly investments in high value properties such as the Properties and those in which EHT intends to invest, are relatively illiquid. Such illiquidity may affect EHT's ability to optimise its investment portfolio or liquidate its assets in response to changes in economic, real estate market or other conditions. For instance, EHT may be unable to sell its assets on short notice or may be forced to give a substantial reduction in price in order to achieve a quick sale. EHT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on EHT's financial condition and results of operation, with a consequential adverse effect on EHT's ability to deliver expected distributions to Stapled Securityholders.

The properties owned by EHT or a part of them may be acquired via eminent domain in whole or part or frozen by a governmental entity or other (quasi) public entity.

In the United States, federal, state, local governments and other public bodies, as well as certain quasi-public entities (such as railroads and public utility corporations), may acquire real estate in connection with the exercise of the power of eminent domain. The exercise of eminent domain may involve a formal condemnation proceeding, subject to and in accordance with legal requirements. In certain circumstances, the federal government has broad powers, which permit the seizure or freezing of foreign-owned assets. Such circumstances may include, without limitation, war, national emergencies, or other circumstances permitted under applicable law.

In the event that the compensation, if any, paid for the taking of the Property is less than the market value of the Property, such taking would have an adverse effect on the revenue of EHT and the value of its asset portfolio. There may also be a delay between the taking and the payment of compensation and/or prolonged litigation may result from the taking or an attempted taking via eminent domain, and this may also have an adverse effect on EHT cash flow position.

EHT's ability to make distributions to Stapled Securityholders may be adversely affected by increases in property expenses and other operating expenses.

EHT's ability to make distributions to Stapled Securityholders could be adversely affected if property expenses and other operating expenses increase (save for such expenses which EHT is not responsible for pursuant to the Master Lease Agreements) without a corresponding increase in revenue.

Factors that could increase property expenses and other operating expenses include:

- increase in property tax assessments and other statutory charges;
- change in statutory laws, regulations or government policies that increase the cost of compliance with such laws, regulations or policies;

- change in direct or indirect tax policies;
- increase in insurance premiums;
- increase in the rate of inflation; and
- defects affecting, or environmental conditions in connection with, EHT's properties that need to be rectified, leading to unforeseen capital expenditure.

The revenue earned from the Properties and the value of the Properties may be adversely affected by a number of factors.

The revenue earned from the Properties and the value of the Properties may be adversely affected by a number of factors, including, but not limited to:

- EHT's ability to collect rent from the Master Lessees on a timely basis or at all;
- the amount and extent to which EHT is required to grant rental rebates to the Master Lessees, although there are currently no rental rebates required to be granted under the Master Lease Agreements;
- defects affecting the Properties which could affect the operations of the Hotel Managers resulting in the inability of the Master Lessees to make timely payment of rent or at all;
- the Master Lessees seeking the protection of bankruptcy or insolvency laws which could result in delays in the receipt of rent payments, inability to collect rental income, or delays in the termination of the lease, or which could hinder or delay the re-letting of the space in question or the sale of the relevant property;
- terms agreed under new master leases being less favourable than those under current master leases;
- the Managers' ability to provide adequate management and maintenance or to purchase or put in place adequate insurance; and
- competition from other hotels for customers.

RISKS RELATING TO AN INVESTMENT IN THE STAPLED SECURITIES

The actual performance of EHT and the Properties could differ materially from the forward-looking statements in this Prospectus.

This Prospectus contains forward-looking statements including, among other things, the forecast and projected distribution levels for the period from the Forecast Period 2019 to the Projection Year 2020. These forward-looking statements are based on a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside EHT's control (see "Profit Forecast and Profit Projection – Assumptions" for further details).

Some or all of the events and circumstances contained in these forward-looking statements may not occur as expected, or events and circumstances which are not currently anticipated may arise. Additionally, annualised information in these forward-looking statements extrapolates financial information for a specific period across other periods in the relevant year, without taking into account the actual circumstances or facts (including seasonality) for the period covered by the extrapolation. Actual results and performances of EHT and the Properties may differ materially from that forecast or extrapolated in these forward-looking statements.

Further, while profit forecasts are prepared for Forecast Period 2019, it should be noted that the hospitality business is seasonal in nature and hence the financial performance of hospitality properties may fluctuate across different periods of the year.

EH-REIT's strategy of investing mainly in hospitality and hospitality-related assets may entail a higher level of risk compared to trusts with a more diverse range of investments.

EH-REIT is 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 US. A concentration of investments in a portfolio of such specific real estate assets may cause EH-REIT to be susceptible to a downturn in the real estate market as well as the global hospitality industry. In addition, given that EH-REIT is established with an initial focus on the US, a concentration of investments in a particular jurisdiction may cause EH-REIT to be susceptible to a downturn in the US hospitality or real estate market and/or the US economy.

This may lead to a decline in occupancy and room rates for the Properties and/or a decline in the capital value of EH-REIT's portfolio, which will have an adverse impact on EHT's distributions to the Stapled Securityholders and/or on the business, financial condition, results of operations and prospects of EHT.

EHT may not be able to make distributions to Stapled Securityholders or the level of distributions may fall.

The income which EH-REIT earns from its real estate investments depends upon, among other factors,

- the amount of rental income received; and
- the level of property and other operating expenses incurred.

If the investments held by EH-REIT do not generate sufficient income, EHT's cash flow and ability to make distributions to the Stapled Securityholders will be adversely affected. As such, EH-REIT is highly reliant on the continued good performance of its investments to maintain distributions, and the receipt of dividends/distributions/interest/shareholder's loan repayment (or other forms of repatriation), from the entities held by EH-REIT.

There can be no assurance that the initial distribution will be as forecast and there can be no assurance that EHT will have sufficient distributable or realised profits or surplus in any future period to make dividends distributions, pay interest, or make loan repayments. The ability of the entities held by EHT to pay dividends/distributions, make interest payments and repay shareholder's loans may be affected by a number of factors including, among other things:

- their respective businesses and financial positions;
- insufficient cash flows received from the assets;
- applicable laws and regulations, which may restrict the payment of dividends/distributions by the entities held by EHT;
- operating losses incurred by the entities held by EHT in any financial year;

- changes in accounting standards, taxation laws and regulations, laws and regulations in respect of foreign exchange repatriation of funds, corporation laws and regulations relating thereto in Singapore, Cayman Islands and the United States;

- trapped cash in the entities held by EHT (as a result of depreciation being a mandatory accounting expense under the applicable accounting standards), which cannot be effectively utilised; and

- the terms of agreements to which they are, or may become, a party.

Further changes in the applicable laws in Singapore, Cayman Islands and the United States may limit EHT's ability to pay or maintain distributions to the Stapled Securityholders. There is no assurance that the level of distributions to the Stapled Securityholders will not be adversely affected in the future. No assurance can be given as to EHT's ability to pay or maintain distributions. Neither is there any assurance that the level of distributions will increase over time, that there will be contractual increases in rent under the Master Lease Agreements or increases in the operating revenue of the Properties or that the receipt of rental or (as the case may be) operating revenue in connection with any expansion of the Properties or further acquisitions of assets will increase EHT's income available for distribution to Stapled Securityholders.

(See "Distributions" for further details.)

Sale or possible sale of a substantial number of Stapled Securities by any of the Founders and/or the Chief Executive Officer and President (following the lapse of any applicable lock-up arrangements), or the Cornerstone Investors in the public market could adversely affect the price of the Stapled Securities.

Following the Offering, EHT will have 867,888,000 issued Stapled Securities of which 16.4% of the total number of Stapled Securities in issue immediately after the Listing will be held by the wholly owned entities of the Founders and the Chief Executive Officer and President, and 16.7% of the total number of Stapled Securities in issue immediately after the Listing will be held by the Cornerstone Investors. If any of the Founders, the Chief Executive Officer and President and/or their transferees of the Stapled Securities (following the lapse of the relevant respective lock-up arrangement, or pursuant to any applicable waivers) or any of the Cornerstone Investors sells or is perceived as intending to sell a substantial amount of its Stapled Securities, the market price for the Stapled Securities could be adversely affected. (See "Plan of Distribution – Lock-up Arrangements" and "Ownership of the Stapled Securities" for further details.)

EHT may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting Registered Business Trusts and/or REITs.

EHT may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting business trusts registered with the MAS ("**Registered Business Trusts**") and/or REITs. There is no assurance that new or revised legislation, regulations, guidelines or directives will not adversely affect Registered Business Trusts in general, REITs in general or EHT specifically.

EH-REIT may not be able to comply with the terms of the tax exemption and Tax Ruling, or the tax exemption or the Tax Ruling may be revoked or amended.

EH-REIT has obtained the Tax Ruling from the IRAS under which the IRAS has confirmed certain Singapore income tax treatment of the distributions received by SG Corp, SG Lending Sub, EH-REIT and Stapled Securityholders.

The Tax Ruling was made based on facts presented to the IRAS and IRAS' current interpretation and application of the existing tax law and the Tax Ruling will cease to apply if:

(a) the arrangement is materially different from the arrangement identified in the Tax Ruling application;

(b) there was a material omission or misrepresentation in, or in connection with, the application for the Tax Ruling;

(c) an assumption about a future event or another matter that is material to the Tax Ruling, stated either in the Tax Ruling or in the application for the Tax Ruling subsequently proves to be incorrect; or

(d) the IRAS stipulates a condition in the Tax Ruling that is not satisfied.

The Tax Ruling does not shelter EH-REIT from any future changes in the tax laws that may have a direct impact on the Tax Ruling. Where a provision of the Income Tax Act is repealed or amended, the Tax Ruling shall automatically not apply from the date of the repeal or amendment to the extent that the repeal or the amendment changes the way the provision applies in the Tax Ruling. Further, the IRAS may at any time withdraw the Tax Ruling from such date specified, by notifying EH-REIT in writing of the withdrawal and the reasons therefor.

If the Tax Ruling is withdrawn or amended, or if the Tax Ruling ceases to apply for any reason, for example, because the facts on which the Tax Ruling was issued are no longer applicable or if EH-REIT is unable to comply with the stipulated conditions, EH-REIT may suffer increased Singapore tax liability, which in turn could affect the amount of distributions made to Stapled Securityholders.

(See "Taxation – Singapore Taxation" and Appendix F, "Independent Taxation Report" for further details.)

EHT may suffer higher taxes if any of its directly or indirectly wholly-owned entities are treated as having a taxable presence or permanent establishment outside their place of formation or incorporation.

Currently, EHT and its directly or indirectly wholly-owned entities are not regarded as having any taxable presence or permanent establishment outside their place of formation or incorporation. If any of EHT's directly or indirectly wholly-owned entities is considered as having a taxable presence or permanent establishment outside its place of formation or incorporation, income or gains may be subject to additional taxes which may have an adverse impact on EHT's financial condition.

Foreign Stapled Securityholders may not be permitted to participate in future rights issues and preferential offerings by EHT.

The EH-REIT Trust Deed and the EH-BT Trust Deed provide that in relation to any rights issue, the Managers may, in their absolute discretion, elect not to extend an offer of the Stapled Securities under a rights issue or preferential offering to those Stapled Securityholders whose addresses, as registered with CDP, are outside of Singapore. The rights or entitlements to the Stapled Securities to which such Stapled Securityholders would have been entitled will be offered for sale and sold in such manner, at such price and on such other terms and conditions as the Managers may determine, subject to such other terms and conditions as the REIT Trustee and the Trustee-Manager may impose. The proceeds of any such sale, if successful, will be paid to the Stapled Securityholders whose rights or entitlements have been so sold, provided that where such proceeds payable to the relevant Stapled Securityholders are less than S$10.00, the Managers

are entitled to retain such proceeds as part of the EH-REIT Deposited Property and the EH-BT Trust Property respectively. The holding of the relevant Stapled Securityholder may be diluted as a result of such non-participation or not being able to participate in any rights issue or preferential offering.

The NAV per Stapled Security may be diluted if further issues are priced below the current NAV per Stapled Security.

New Stapled Securities may be issued at a subscription price at or below the current NAV per Stapled Security. Where new Stapled Securities, including Stapled Securities which may be issued to the REIT Manager and/or the Trustee-Manager's management fees, are issued at less than the current NAV per Stapled Security, the NAV of each existing Stapled Security will be diluted.

Market and economic conditions may affect the market price and demand for the Stapled Securities.

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of and demand for the Stapled Securities.

An increase in market interest rates may have an adverse impact on the market price of the Stapled Securities to the extent that it reduces the distributions paid to Stapled Securityholders and results in lower return for investors compared to other investments.

The price of the Stapled Securities may decline after the Offering.

The Offering Price of the Stapled Securities has been determined by agreement between the Managers and the Joint Bookrunners. The Offering Price may not be indicative of the market price for the Stapled Securities upon the completion of the Offering. The Stapled Securities may trade at prices significantly below the Offering Price after the Offering. The trading price of the Stapled Securities will depend on many factors, including:

- the perceived prospects of the business and investments of EH-REIT and EH-BT (if any) and the hospitality industry and hospitality-related real estate markets in the US;
- differences between the actual financial and operating results of EHT and those expected by investors and analysts;
- changes in analysts' recommendations or projection;
- changes in general economic or market conditions;
- broad market fluctuations, including weakness of the equity market and increases in interest rates;
- the market value of the assets of EHT;
- the perceived attractiveness of the Stapled Securities against those of other equity or debt securities, including those not in the real estate sector;
- the balance of buyers and sellers of the Stapled Securities;
- the future size and liquidity of the Singapore REIT and business trust market;

- any changes from time to time to the regulatory system, including the tax system, both generally and specifically in relation to Singapore REITs and business trusts; and

- the ability on the part of EH-REIT to implement successfully its investment and growth strategies.

For these reasons, among others, the Stapled Securities may trade at prices that are higher or lower than the NAV per Stapled Security. To the extent that EH-REIT retains operating cash flow for investment purposes, working capital requirements or other purposes, these retained funds, while increasing the value of its underlying assets, may not correspondingly increase the market price of the Stapled Securities. Any failure on the part of EHT to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price for the Stapled Securities.

In addition, the Stapled Securities are not capital-safe products. There is no guarantee that Stapled Securityholders can realise a higher amount or even the principal amount of their investment. If EHT, EH-REIT or EH-BT is terminated or liquidated, it is possible that investors may lose all or a part of their investment in the Stapled Securities.

The Stapled Securities have never been publicly traded and the listing of the Stapled Securities on the Main Board of the SGX-ST may not result in an active or liquid market for the Stapled Securities.

There is no public market for the Stapled Securities prior to the Offering and an active public market for the Stapled Securities may not develop or be sustained after the Offering. While a letter of eligibility from the SGX-ST for the listing and quotation of the Stapled Securities on the Main Board of the SGX-ST has been received, listing and quotation does not guarantee that a trading market for the Stapled Securities will develop or, if a market does develop, the liquidity of that market for the Stapled Securities. Prospective Stapled Securityholders should view the Stapled Securities as illiquid and must be prepared to hold their Stapled Securities for an indefinite length of time.

Although it is currently intended that the Stapled Securities will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Stapled Securities. Among other factors, EHT may not continue to satisfy the listing requirements of the SGX-ST.

Certain provisions of the Singapore Code on Take-overs and Mergers (the "Take-over Code") could have the effect of discouraging, delaying or preventing a merger or acquisition which could adversely affect the market price of the Stapled Securities.

Under the Take-over Code, an entity is required to make a mandatory offer for all the Stapled Securities not already held by it and/or parties acting in concert with it (as defined in the Take-over Code) in the event that an increase in the aggregate holdings of Stapled Securities of it and/or parties acting in concert with it results in the aggregate holdings of Stapled Securities crossing certain specified thresholds.

While the Take-over Code seeks to ensure an equality of treatment among the Stapled Securityholders, its provisions could substantially impede the ability of Stapled Securityholders to benefit from a change in control and, as a result, may adversely affect the market price of the Stapled Securities and the ability to realise any potential change of control premium.

Neither the REIT Manager nor the Trustee-Manager is obliged to redeem the Stapled Securities.

Stapled Securityholders have no right to request either the REIT Manager or the Trustee-Manager to redeem their Stapled Securities (while the Stapled Securities are listed on the SGX-ST. It is intended that Stapled Securityholders may only deal in their listed Stapled Securities through trading on the SGX-ST.

Third parties may be unable to recover claims brought against the Managers as the Managers are not entities with significant assets.

Third parties, in particular, Stapled Securityholders, may in future have claims against the Managers in connection with the carrying on of their respective duties as manager of EH-REIT and trustee-manager of EH-BT (including in relation to the Offering and this Prospectus).

Under the terms of the EH-REIT Trust Deed, the REIT Manager is indemnified from the EH-REIT Deposited Property against any actions, costs, claims, damages, expenses or demands to which it may be put as the manager of EH-REIT unless occasioned by the fraud, gross negligence, wilful default or breach of the EH-REIT Trust Deed or the failure to show the degree of diligence and care required of it having regard to the provisions of the EH-REIT Trust Deed by the REIT Manager. In the event of any such fraud, gross negligence, wilful default or breach or failure to show the degree of diligence and care required having regard to the provisions of the EH-REIT Trust Deed, only the assets of the REIT Manager itself and not the EH-REIT Deposited Property would be available to satisfy a claim.

Under the terms of the EH-BT Trust Deed, the Trustee-Manager is indemnified from the EH-BT Trust Property against any actions, costs, claims, damages, expenses or demands to which it may be put as the trustee-manager of EH-BT unless occasioned by the fraud, gross negligence, wilful default, breach of trust or where the Trustee-Manager fails to exercise the degree of care and diligence required of a trustee-manager of a registered business trust under the BTA ("**Due Care**"). In the event of any such fraud, gross negligence, wilful default, breach of trust or failure to exercise Due Care, only the assets of the Trustee-Manager itself and not the EH-BT Trust Property would be available to satisfy a claim.

Activities carried out by EH-BT may affect the returns of EHT.

As at the Listing Date, EH-BT will be dormant. It will, however, become active if EH-REIT is unable to appoint a Master Lessee for any of the Properties in its Initial Portfolio at the expiry of the relevant Master Lease Agreement or for a hospitality property newly acquired by EH-REIT. In such circumstances, EH-BT will be appointed by EH-REIT as a Master Lessee for that Property, and EH-BT will in turn appoint a Hotel Manager to manage the day-to-day operations and marketing of the hospitality property. EH-BT exists primarily as a "master lessee of last resort".

EH-BT may also become active if it undertakes certain hospitality and hospitality-related development projects, acquisitions and investments which may be unsuitable for EH-REIT. In this regard, EH-BT will generally be considered to be active in the event that it carries out on any business activity other than:

- activities which EH-BT is required to carry out under any applicable law, regulation, rule or directive of any agency, regulatory or supervisory body;
- the lending or use of the initial working capital raised from the Offering; and
- equity fund-raising activities and issue of new EH-BT Units carried out in conjunction with EH-REIT which are solely for the purposes of funding EH-REIT's business activities.

When EH-BT becomes active, it will face additional risks including, but not limited to, material losses suffered as a result of business or commercial risks, downturns in the relevant economies or markets, a lack of demand for its products and services and an inability to compete effectively against other competitors. 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 Listing Date, which is essentially that of a property owner deriving mainly rental income from the Master Lessees.

EHT's distribution policy may cause EHT to face liquidity constraints.

If EH-REIT's Annual Distributable Income is greater than its cash flow from operations, there may be liquidity constraints and it may have to borrow to meet on-going cash flow requirements in order to distribute at least 90.0% of its Annual Distributable Income since it may not have any reserves to draw on. EH-REIT's ability to borrow is, however, limited by the Property Funds Appendix. Should EH-BT be active and profitable, the declaration and payment of distributions by EH-BT will be at the sole discretion of the Trustee-Manager Board. EH-BT is not compulsorily required to make any distributions to Stapled Securityholders. If any such distributions are made to Stapled Securityholders, EH-BT may have to borrow in order to meet outgoing cash flow requirements.

The Stapled Securities may be subsequently unstapled and the structure of EHT may be undermined.

The Stapled Securities may be unstapled for various reasons as set out in the Stapling Deed. In particular, the Stapled Securityholders may, for various reasons, after the Listing Date, decide that the Stapled Securities should be unstapled, subject to the Stapling Deed, the EH-REIT Trust Deed, the EH-BT Trust Deed and any relevant legislation. In the event that the unstapling of a EH-REIT Unit to a EH-BT Unit (the "**Unstapling**") should occur, the structure of EHT may be undermined and there may be ramifications and adverse effects to Stapled Securityholders. As the letter of eligibility issued by the SGX-ST to EHT for the listing and quotation on the Main Board of the SGX-ST is in relation to the Stapled Securities and does not extend to the listing and quotation of the individual components of the Stapled Securities, being EH-REIT Units and EH-BT Units, upon Unstapling, the Stapled Securities will be de-listed from the SGX-ST. As a result, investors' ability to liquidate their investments in EH-REIT Units and/or EH-BT Units in response to changes in economic, real estate market or other conditions may be adversely affected and the realisable value of EH-REIT Units and EH-BT Units may be less than their fair values.

(See "The Formation and Structure of EHT, EH-REIT and EH-BT – The Formation and Structure of EHT – Unstapling" for further details.)

RISKS RELATING TO THE STRUCTURE OF EHT

There are limitations on the ownership of Stapled Securities as well as certain documentation for non-U.S. persons to enjoy the Portfolio Interest Exemption.

Non-U.S. Stapled Securityholders should comply with the Portfolio Interest Exemption Limit, that is, they should not directly or indirectly own 10% or more of the outstanding Stapled Securities, in order for them to be able to claim the Portfolio Interest Exemption. This is necessary to ensure that the interest paid to Cayman Corp 1 by US Corp pursuant to intercompany loans from Cayman Corp 1 to US Corp qualifies for favourable tax treatment under the Portfolio Interest Exemption.

Any non-U.S. person who wishes to hold an interest in EHT greater than the Portfolio Interest Exemption Limit may do so but will be subject to 30% US withholding tax on their distributive share of the interest payments from US Corp to Cayman Corp 1. This tax will be remitted by EH-REIT on their behalf and will accordingly reduce the distributions from EHT to which such persons would otherwise be entitled.

Non-U.S. Stapled Securityholders who, directly or indirectly own less than 10% of the outstanding Stapled Securities, are also required to comply with certain documentation requirements in order to be exempted from withholding tax under the IRC, including under FATCA. Specifically, non-U.S. Stapled Securityholders must establish their status for FATCA purposes and their eligibility for the Portfolio Interest Exemption by providing an applicable IRS Form W-8 and such other certification or other information related to FATCA that is requested from time to time. If any non-U.S. Stapled Securityholder exceeds the Portfolio Interest Exemption Limit and/or fails to provide or to update relevant information necessary for compliance with U.S. tax withholding requirements, including FATCA, or provide inaccurate, incomplete or false information, distributions payable by the Stapled Trust to such non-U.S. Stapled Securityholders will be subject to 30% US withholding tax on their distributive share of the interest payments from the US Corp to the Cayman Corp 1.

Any amounts withheld whether due to exceeding the Portfolio Interest Exemption Limit and/or failure to submit the relevant documentation, will be remitted by the EH-REIT on behalf of such Stapled Securityholders to the IRS and will accordingly reduce the distributions from the Stapled Trust to which such persons would otherwise be entitled.

Investors should note that the Portfolio Interest Exemption Limit is computed pursuant to the rules of the United States Internal Revenue Code of 1986, as amended (the "IRC") which includes rules relating to Constructive Ownership (through the application of Section 318(a) of the IRC, as modified by Section 871(h)(3)(C) of the IRC) which could be different from interests in Stapled Securities as determined pursuant to the SFA. Stapled Securityholders should consult their own legal and tax advisers regarding the application of the rules of the IRC in relation to their ability to claim the Portfolio Interest Exemption.

Interest payments from US Corp to Cayman Corp 1 may be subject to U.S. withholding.

Interest payments from US Corp to Cayman Corp 1 attributable to the loans from Cayman Corp 1 are expected to qualify as "portfolio interest" and thus not be subject to U.S. federal income tax or withholding tax. However, in order for a Stapled Securityholder's proportional share of interest payments to qualify as "portfolio interest" for U.S. federal income tax purposes, that Stapled Securityholder must meet specified requirements, including providing a properly completed and validly executed applicable IRS Form W-8 and the certificates set forth in Appendix I. Further, the IRS has broad authority to recharacterise or adjust interest payments between related persons. If interest does not qualify as portfolio interest, is recharacterised by the IRS, or is adjusted by the IRS, additional U.S. withholding taxes may apply, which would adversely impact cash available for distribution to Stapled Securityholders. (See "Important Notice Regarding the Ownership of Stapled Securities – Distributions will be reduced if a Stapled Securityholder does not submit required U.S. tax forms and documentation" for further details.)

EHT may be treated as engaging in a U.S. trade or business and Stapled Securityholders may become subject to U.S. taxation.

EHT is organised under the laws of Singapore and intends to operate in a manner that will not cause it to be treated as engaging in a United States trade or business or cause Stapled Securityholders to be subject to United States federal income taxation on its net income. However, because there are no definitive standards provided by the IRC, United States Treasury regulations or court decisions as to the specific activities that constitute being engaged in the conduct of a trade or business within the United States, and as any such determination is essentially factual in nature, there can be no assurance that the IRS will not successfully assert that EHT is engaged

in a trade or business in the United States. Further, the IRS will not issue private rulings on whether an entity is engaged in the conduct of a trade or business within the United States. If EHT is treated as engaging in a U.S. trade or business, each Stapled Securityholder will be treated under the IRC as being engaged in that trade or business. In such case, Stapled Securityholders may have an obligation to file a U.S. federal income tax return and may be subject to U.S. taxation on distributions attributable to interest payments from US Corp to Cayman Corp 1 as well as their distributive shares of any other income of EHT (whether or not distributed) that is effectively connected with the U.S. trade or business. If Stapled Securityholders are subject to U.S. taxation, it may lead to a reduction in distributions received.

Changes in taxation legislation, administrative guidance, practice, regulations, any disagreement as to the interpretation thereof, and/or any tax ruling ceasing to apply, may adversely affect EHT, its subsidiaries, Stapled Securityholders and/or the Managers (and its owners).

Any change in the taxation legislation, administrative guidance, practice, regulations, any disagreement as to the interpretation thereof, that applies to EHT and/or any of its direct and indirect subsidiaries (the "**Group**"), and/or any tax ruling applicable to the Group ceasing to apply, could result in additional tax liability for EHT, its subsidiaries, Stapled Securityholders and/or the Managers (and its owners).

Any change in the tax status of the Group, or change in taxation legislation, administrative guidance, or regulation (or any disagreement as to the interpretation thereof) that applies to the Group, could adversely affect the distributions paid by the Group.

In addition, any such tax changes could adversely affect the value of the Group's investments, and/or increase the U.S. and non-U.S. tax liabilities of the Group and/or affect the Group's ability to achieve its investment objectives. Such changes could have a significant negative impact on EHT, its Stapled Securityholders and/or the Managers (and its owners).

For example, on 20 December 2018, the IRS released new proposed regulations under Section 267A (the "**267A Proposed Regulations**") denying a US payor interest deductions for certain interest payments to related parties pursuant to a hybrid transaction. The Cayman structure is intended to meet the requirements for deductibility under the 267A Proposed Regulations. The 267A Proposed Regulations have not been finalised and, although not expected, it is possible that subsequent interpretations of these regulations or the finalised regulations will result in the Cayman Structure no longer meeting the requirements for deductibility. (See Appendix F, "Independent Taxation Report – United States Taxation – Taxation of US Corp" and "United States Taxation Report – Taxation of US Corp").

Further, the Treasury Department and the IRS issued proposed regulations on Section 163(j), as amended by the Tax Cuts and Jobs Act, on 26 November 2018. The proposed regulations provide guidance on certain definitional and structural matters but reserve on a number of issues. such as the definition of what constitutes a "real property rental" business for this purpose. As such, although US Corp is currently not expected to be precluded from making a real property trade or business election for section 163(j) purposes, this is however subject to any clarification issued in the future by the Treasury Department and the IRS.

If the finalised regulations results in the non-deductibility of any interest payments by EHT's subsidiaries, the Group may face material U.S. and/or non-U.S. tax payments and other costs, and may be required to engage in further restructuring at significant additional costs (including costs incurred on an on-going basis). Such finalised regulations may also potentially render restructuring to preserve the deductibility of interest payments by EHT's subsidiaries impossible, resulting in significant economic impairment to the structure. All such additional tax and/or costs would potentially have a material adverse effect on the Group's financial condition, cash flows and results of operations.

Future guidance in relation to the new Section 163(j) of the US Internal Revenue Code may limit US Corp's interest deductions.

Section 163(j) of the IRC, which came into effect on 1 January 2018, limits business interest deductions to 30% of adjusted taxable income. There is an exception to this limitation for an "electing real property trade or business". Eligible businesses include real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trades or businesses. US Corp intends to be an electing real property trade or business. Future guidance may affect US Corp's ability to make this election and may limit US Corp's ability to take interest deductions. Such a limitation may increase the taxable income and tax liability of US Corp and hence reduce distributions to be made by EH-REIT.

Entities operating in Singapore, the United States and Cayman Islands are subject to a variety of taxes and changes in legislation or the rules relating to such tax regimes could materially and adversely affect EHT's business, prospects and results of operations.

The income and gains derived by EHT, directly or indirectly, from its Properties may be exposed to various types of taxes in Singapore, the US and Cayman Islands. These include but are not limited to income tax, withholding tax, capital gains tax, property taxes and other taxes specifically imposed for the ownership of such assets (see "Taxation" and Appendix F, "Independent Taxation Report").

The governments of each of Singapore, the United States or Cayman Islands may in the future amend the tax legislation or rules, regulations, guidelines and practice relating to taxation with either prospective or retroactive effect and this may affect the overall tax liabilities of the Singapore, U.S. or Cayman Islands entities, respectively, in the EHT Group and result in significant additional taxes becoming payable by such entities. Such additional tax exposure could have a material adverse effect on EHT Group's business, financial condition, cash flows and results of operations and consequentially may have a material adverse impact on distributions to be made by EHT. While the Managers intend to manage the taxation in Singapore, the US and Cayman Islands efficiently, there can be no assurance that the desired tax outcome will necessarily be achieved. In addition, the level of taxation in Singapore, the US and Cayman Islands is subject to changes in laws and regulations and such changes, if any, may lead to an increase in tax rates or the introduction of new taxes. All these factors may adversely affect the level of distributions paid to Stapled Securityholders.

RISKS RELATING TO SINGAPORE AND THE UNITED STATES

EHT may be exposed to risks associated with exchange rate fluctuations and changes in foreign exchange regulations.

The revenue received from the Properties is in U.S. dollars. A portion of these U.S. dollars will have to be converted into Singapore dollars to settle expenses in Singapore dollars at EHT's level and for the distribution payments from EHT to Stapled Securityholders, except those Stapled Securityholders who elect to receive their distributions in U.S. dollars. Accordingly, EHT is exposed to risks associated with exchange rate fluctuations which may adversely affect EHT's results of operations.

The value of U.S. dollar against other currencies fluctuates and is affected by changes in the United States and international political and economic conditions and by many other factors.

The value of the distributions received by a Stapled Securityholder may be adversely affected by fluctuations in the exchange rates between U.S. dollars, the Singapore dollar and any other currencies which may be adopted from time to time. Significant fluctuations in the exchange rates between such currencies will also, among other things, affect the NAV of the Stapled Securities

and the foreign currency value of the proceeds which a Stapled Securityholder would receive upon sale of the Stapled Securities in Singapore. In addition, the forecast and projected yields and yield growth of EHT are calculated based on assumed exchange rates as set out in this Prospectus. As such, there can be no guarantee that EHT will achieve such forecast and projected yields and yield growth should there be differences between the actual and assumed exchange rates. (See "Distributions" and "Exchange Rate Information and Exchange Controls" for further details.)

EHT may be exposed to risks associated with changes to laws and policies in Singapore and the United States.

EHT will initially be investing, directly or indirectly, in properties located in the US. It will therefore be subject to foreign real estate laws, securities laws, tax laws, any applicable laws and related policies including policies relating to foreign exchange, and any unexpected changes to the same. There can be no assurance that EHT's investments will not be negatively impacted as a result of measures and policies adopted by the relevant foreign governments and authorities at the state, local, federal and national levels, including the imposition of foreign exchange restrictions. There can also be no assurance that EHT will be able to repatriate the income and gains derived from its investments and other assets in the US to Singapore. It may also be difficult to obtain legal protection and recourse in the US.

The laws and regulations in Singapore and/or the United States and the International Financial Reporting Standards ("IFRS") may change.

EHT is a stapled trust constituted in Singapore and the Properties are located in the United States. The laws, regulations (including tax laws and regulations in Singapore and/or the United States) and the IFRS are subject to change. New laws and regulations may also be introduced in these jurisdictions.

As a result, the financial statements of EHT may be affected by the introduction of such revised accounting standards. The extent and timing of these changes in accounting standards are unknown and subject to confirmation by the relevant authorities.

There is no assurance that these changes will not:

- have a significant impact on the presentation of EHT's financial statements;
- have a significant impact on EHT's results of operations;
- have an adverse effect on the ability of EHT to make distributions to Stapled Securityholders;
- have an adverse effect on the ability of the Managers to carry out EHT's investment mandate; and/or
- have an adverse effect on the business, financial condition, results of operations and prospects of EHT.

USE OF PROCEEDS

ISSUE PROCEEDS

The Managers intend to raise gross proceeds of US$565.8 million (based on the Offering Price) from the Offering and the issuance of the Cornerstone Stapled Securities, and taking into account the amount attributable to the Sponsor Stapled Securities.

The total cash proceeds raised from the Offering, the issuance of the Cornerstone Stapled Securities, as well as the amount drawn down and/or assumed under the New Term Loan Facilities, the Unsecured Loan and the ASAP Mortgage Loans (collectively, the "**EH-REIT Debt Facilities**") will be used towards the following:

- payment to the Vendors for the purchase price of the Initial Portfolio;
- payment of the related acquisition costs of the Initial Portfolio;
- payment of issue and debt-related costs; and
- working capital.

The following table, included for the purpose of illustration, sets out the intended sources and applications of the total proceeds from the Offering, the Cornerstone Stapled Securities as well as the amount to be drawn and/or assumed under the EH-REIT Debt Facilities and the issuance of the Consideration Stapled Securities (the "**Total Issue Proceeds**") based on the Offering Price.

As at the Listing Date, EH-BT will be dormant and will only require minimal working capital.

Based on the Offering Price, assuming that the Over-Allotment Option is fully exercised:

Source	Amount (US$'000)	Application	Amount (US$'000)	As a dollar amount for each US$ of the Total Issue Proceeds
Offering	482,084	Aggregate Purchase Consideration(1)	1,111,649	0.94
Consideration Stapled Securities	81,869	Transaction costs(2)	49,234	0.04
Cornerstone Stapled Securities	112,999	Working capital(3)	23,600	0.02
EH-REIT Debt Facilities	507,530			
TOTAL	**1,184,483**	**TOTAL**	**1,184,483**	**1.0**

Notes:

(1) The proceeds from the Offering and the issuance of the Cornerstone Stapled Securities allocated to Purchase Consideration for the acquisition of the Initial Portfolio will be used to repay the Joint Bookrunners who had pre-funded the acquisition of the Initial Portfolio (including certain transaction costs and working capital). Due to the mechanisms for the settlement of the acquisition, the Purchase Consideration for such acquisition would need to be released a few days prior to the settlement for the Vendors to be able to receive the Purchase Consideration on the date of completion of the acquisition.

(2) Transaction costs include expenses incurred in relation to the acquisition of the Properties, the Offering, the issue of the Cornerstone Stapled Securities, putting in place and/or assumption of the EH-REIT Debt Facilities, where appropriate. Transaction costs for the acquisition of the Properties include the real estate transfer tax. (See "Overview of Relevant Laws and Regulations in the United States – Relevant Laws and Regulations in the United States – Transfer Taxes" for further details.)

(3) Includes US$16.6 million under CPDG Reserve.

LIQUIDITY

As at the Listing Date, EHT will have a working capital of approximately US$7.0 million, of which US$1.0 million will be utilised to pay for the existing working capital assumed as part of the Initial Portfolio. The Managers believe that this working capital, in addition to the expected cash flow from operations will be sufficient for EHT's working capital requirements over the next 12 months following the Listing Date.

OWNERSHIP OF THE STAPLED SECURITIES

EXISTING STAPLED SECURITIES

On 11 April 2019, one EH-REIT Unit and one EH-BT Unit were issued to SPV1 and one EH-REIT Unit and one EH-BT Unit were issued to SPV4. The issue price of each EH-REIT Unit and each EH-BT Unit was US$1.00. No other EH-REIT Units or EH-BT Units have been issued. On 11 April 2019, the REIT Manager, the REIT Trustee and the Trustee-Manager entered into the Stapling Deed. Each EH-REIT Unit and each EH-BT Unit is stapled to each other and constitutes a Sponsor Initial Stapled Security.

STAPLED SECURITIES TO BE ISSUED TO THE FOUNDERS

On the Listing Date, separate from the Offering, the Vendors, will receive 142,459,998 Consideration Stapled Securities, in satisfaction of the purchase consideration for the USHI Portfolio and the ASAP6 Portfolio and will direct the Consideration Stapled Securities to be issued as follows: (i) 37,500,000 Consideration Stapled Securities to be issued to SPV1, 1,886,000 Consideration Stapled Securities to be issued to SPV2 and 26,715,999 Consideration Stapled Securities to be issued to SPV3, each of which is wholly owned by Howard Wu, and (ii) 66,101,999 Consideration Stapled Securities to be issued to SPV4, which is wholly owned by Taylor Woods.

STAPLED SECURITIES TO BE ISSUED TO THE CHIEF EXECUTIVE OFFICER AND PRESIDENT

In addition, the Founders have agreed with the Chief Executive Officer and President, Salvatore G. Takoushian that on the Listing Date, 10,256,000 Stapled Securities of the Consideration Stapled Securities will be issued to SPV5, which is wholly owned by the Executive Director and Chief Executive Officer and President of the Managers, Salvatore G. Takoushian, as part of his remuneration package. See “Management and Corporate Governance – Remuneration of the Chief Executive Officer and President” for more details.

PRINCIPAL STAPLED SECURITYHOLDERS AND THEIR HOLDINGS

The total number of Stapled Securities in issue immediately after the completion of the Offering will be 867,888,000 Stapled Securities.

The following table sets out the principal Stapled Securityholders and their holdings after the Offering and the issuance of the Cornerstone Stapled Securities:

	Stapled Securities in issue as at the date of this Prospectus		Stapled Securities in issue after the Offering (assuming that the Over-Allotment Option is not exercised)		Stapled Securities in issue after the Offering (assuming the Over-Allotment Option is fully exercised)	
			Based on Offering Price		Based on Offering Price	
		(%)	('000)	(%)	('000)	(%)
Howard Wu	1	50.0	66,102	7.6%	28,602	3.3%
Taylor Woods	1	50.0	66,102	7.6%	66,102	7.6%
Salvatore G. Takoushian	–	–	10,256	1.2%	10,256	1.2%
Cornerstone Investors – DBS Bank Ltd. – DBS Bank Ltd. (on behalf of certain wealth management clients) – Gold Pot Developments Limited – Ji Qi	–	–	144,870	16.7%	144,870	16.7%
Public and Institutional Investors	–	–	580,558	66.9%	618,058	71.2%
TOTAL	2	100.0	867,888	100.0%	867,888	100.0%

LOCK-UPS

Each of the Founders, Salvatore G. Takoushian, SPV1, SPV2, SPV3, SPV4 and SPV5 have each agreed to (i) a lock-up arrangement during the First Lock-up Period in respect of their respective effective interest in the Lock-up Stapled Securities and (ii) a lock-up arrangement during the Second Lock-up Period in respect of their respective effective interest in 50.0% of the relevant Lock-up Stapled Securities, subject to certain exceptions.

The Managers have also undertaken not to offer, issue or contract to issue any Stapled Securities, and the making of any announcements in connection with any of the foregoing transactions, during the Lock-up Period, subject to certain exceptions.

(See "Plan of Distribution – Lock-up Arrangements" for further details.)

SUBSCRIPTION BY THE CORNERSTONE INVESTORS

In addition, concurrently with, but separate from the Offering, each of the Cornerstone Investors has entered into a subscription agreement to subscribe for an aggregate of 144,870,000 Stapled Securities at the Offering Price conditional upon the Underwriting Agreement having been entered into, and not having been terminated, pursuant to its terms on or prior to the Settlement Date.

Information on the Cornerstone Investors

DBS Bank Ltd.

DBS is a leading financial services group in Asia, with over 280 branches across 18 markets. Headquartered and listed in Singapore, DBS has a growing presence in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's "AA-" and "Aa1" credit ratings are among the highest in the world.

Recognised for its global leadership, DBS has been named "Global Bank of the Year" by The Banker and "Best Bank in the World" by Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named "World's Best Digital Bank" by Euromoney. In addition, DBS has been accorded the "Safest Bank in Asia" award by Global Finance for ten consecutive years from 2009 to 2018.

DBS provides a full range of services in consumer, SME and corporate banking. As a bank born and bred in Asia, DBS understands the intricacies of doing business in the region's most dynamic markets. DBS is committed to building lasting relationships with customers, and positively impacting communities through supporting social enterprises, as it banks the Asian way. It has also established a SGD 50 million foundation to strengthen its corporate social responsibility efforts in Singapore and across Asia.

With its extensive network of operations in Asia and emphasis on engaging and empowering its staff, DBS presents exciting career opportunities. The bank acknowledges the passion, commitment and can-do spirit in all of its 26,000 staff, representing over 40 nationalities.

DBS Bank Ltd. (on behalf of certain wealth management clients)

DBS is a leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's "AA-" and "Aa1" credit ratings are among the highest in the world.

Recognised for its global leadership, DBS has been named "Global Bank of the Year" by The Banker and "Best Bank in the World" by Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named "World's Best Digital Bank"

by Euromoney. In addition, DBS has been accorded the "Safest Bank in Asia" award by Global Finance for ten consecutive years from 2009 to 2018.

In 2018, DBS Private Bank was also awarded "Best Private Bank in Asia Pacific" by Global Finance and "Best Private Bank for Innovation" by PWM/The Banker, cementing its position as a leading wealth manager in Asia. DBS has SGD 220 billion in wealth assets under management as of FY2018.

The bank has entered into the cornerstone subscription agreement, on behalf of certain of its wealth management clients, to subscribe for the Stapled Securities. The Stapled Securities will be held in custody by DBS Nominees (Pte) Ltd, on behalf of such clients. DBS Nominees (Pte) Ltd acts as a custodian for these Stapled Securities and neither DBS Nominees (Pte) Ltd nor DBS Bank Ltd. has any beneficial interest in the Stapled Securities allotted under the cornerstone subscription agreement.

Gold Pot Developments Limited

Gold Pot Developments Limited is a multi-asset family fund that focuses on global investments and other stable assets.

Ji Qi

Mr Ji Qi is the founder and executive chairman of hotel chain Huazhu Group which he owns 37%. Huazhu Group listed on Nasdaq is one of China's biggest multi-brand hotel chain management groups which was known as China Lodging Group until June 2018. Huazhou Group operates some 3,800 hotels in China under a variety of brands, with a focus on the budget and midscale segments. Mr Ji Qi also co-founded Ctrip.com International, Ltd., or Ctrip.com, one of the largest online travel services provider in China, and currently serves on Ctrip.com's board as an independent director.

SUBSCRIPTION BY THE REIT MANAGER DIRECTORS AND THE TRUSTEE-MANAGER DIRECTORS

The directors of the REIT Manager (the "**REIT Manager Directors**") and the directors of the Trustee-Manager (the "**Trustee-Manager Directors**") may subscribe for the Stapled Securities under the Public Offer and/or the Placement Tranche. Save for the REIT Manager's and the Trustee-Manager's respective internal policies, which prohibit the REIT Manager Directors and the Trustee-Manager Directors from dealing in the Stapled Securities at certain times, there are no restrictions on the REIT Manager's Directors or the Trustee-Manager's Directors disposing of or transferring all or any part of their holdings.

To the Manager's knowledge, as at the Latest Practicable Date, save as disclosed herein, none of the REIT Manager Directors, Trustee-Manager Directors and key executive officers of the Managers intends to subscribe for the Stapled Securities.

(See "Management and Corporate Governance – EH-REIT – Dealings in Stapled Securities or, as the case may be, EH-REIT Units" and "Management and Corporate Governance – EH-BT – Dealings in Stapled Securities or, as the case may be, EH-BT Units" for further details.)

SUBSCRIPTION FOR MORE THAN 5.0% OF THE STAPLED SECURITIES

To the Managers' knowledge, as at the Latest Practicable Date, save as disclosed below, no person intends to subscribe for more than 5.0% of the Stapled Securities in the Offering. However, through a book-building process to assess market demand for the Stapled Securities, there may be person(s) who may indicate his or her interest to subscribe for and/or purchase more than 5.0% of the Stapled Securities in the Offering. No Stapled Securities shall be allotted on the basis of this Prospectus later than six months after the date of registration of this Prospectus by the Authority.

To the Managers' knowledge, each of Claydon Hill Investments Ltd and Compass Cove Assets Limited intend to subscribe for more than 5.0% of the Stapled Securities in the Offering, and subject to allocations under the Placement Tranche, each of Claydon Hill Investments Ltd, Compass Cove Assets Limited and Mr Qian Jianrong[1] may become a Substantial Stapled Securityholder of EHT, in which case they would be subject to the relevant reporting requirements within the prescribed time limits pursuant to the SFA.

OPTIONS ON STAPLED SECURITIES

No option to subscribe for the Stapled Securities has been granted to any of the Directors or to the Chief Executive Officer and President or any other key executive officers of the Managers.

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1 To the Managers' knowledge, Mr Qian Jianrong will not be subscribing for more than 5.0% of the Stapled Securities in the Offering. However, he will also be subscribing for certain Cornerstone Stapled Securities through DBS Bank Ltd. (on behalf of certain wealth management clients) and may therefore become a Substantial Stapled Securityholder.

DISTRIBUTIONS

It should be noted that the total distributions available to Stapled Securityholders is an aggregate of the distributions from EH-REIT and EH-BT, and is thus dependent on the financial performance of EH-REIT and EH-BT respectively, instead of the consolidated financial performance of EH-REIT and EH-BT.

DISTRIBUTION POLICY OF EH-REIT

EH-REIT's distribution policy is to distribute 100.0% of EH-REIT's Annual Distributable Income for the period from the Listing Date to the end of Projection Year 2020. Thereafter, EH-REIT will distribute at least 90.0% of its Annual Distributable Income for each financial year. The actual level of distribution will be determined at the REIT Manager's discretion.

The actual proportion of Annual Distributable Income distributed to Stapled Securityholders beyond the end of Projection Year 2020 may be greater than 90.0% to the extent that the REIT Manager believes it to be appropriate, having regard to EH-REIT's funding requirements, other capital management considerations and the overall stability of distributions.

For these purposes, and under the terms of the EH-REIT Trust Deed, the "**Annual Distributable Income**" for a financial year is the amount calculated by the REIT Manager (based on the audited financial statements of EH-REIT for that financial year) as representing the consolidated audited net profit after tax of EH-REIT (which includes the net profits of the SPVs held by EH-REIT for the Financial Year, to be pro-rated where applicable to the portion of EH-REIT's interest in the relevant SPV) for the financial year, as adjusted to eliminate the effects of Adjustments (as defined below). After eliminating the effects of these Adjustments, the Annual Distributable Income may be different from the net profit recorded for the relevant Financial Year.

"**Adjustments**" means adjustments which are charged or credited to the consolidated profit and loss account of EH-REIT, including the audited net profits of the SPVs held by the EH-REIT for the Financial Year to be pro-rated where applicable to the portion of the EH-REIT interest in the relevant SPV) for the relevant financial year or the relevant distribution period (as the case may be), including but not limited to (i) differences between cash and accounting gross revenue, (ii) unrealised income or loss, including property revaluation gains or losses, and provision or reversals of impairment provisions; (iii) deferred tax charges/credits; (iv) negative goodwill; (v) differences between cash and accounting finance and other costs; (vi) realised gains or losses, including gains or losses on the disposal of properties and disposal/settlement of financial instruments/assets/liabilities; (vii) the portion of the Management Fee, acquisition fee, divestment fee and development management fee that are paid or payable in the form of Stapled Securities; (viii) costs of any public or other offering of Stapled Securities or convertible instruments that are expensed but are funded by proceeds from the issuance of such Stapled Securities or convertible instruments; (ix) depreciation and amortisation in respect of the properties and their ancillary machines, equipment and other fixed assets; (x) adjustment for amortisation of rental incentives; (xi) other non-cash or timing differences related to income or expenses; (xii) differences between the audited and unaudited financial statements for the previous Financial Year; (xiii) other charges or credits (in each case from (i) to (xiii) as deemed appropriate by the REIT Manager); and (xiv) any other such adjustments as deemed appropriate by the REIT Manager.

The REIT Manager will also have the discretion to distribute any additional amounts (including capital). In determining whether to distribute additional amounts (including capital), the REIT Manager will consider a range of factors including but not limited to EH-REIT's funding requirements, its financial position, its growth strategy, compliance with relevant laws, regulations and covenants, other capital management considerations, the overall suitability of distributions and prevailing industry practice.

DISTRIBUTION POLICY OF EH-BT

As at the Listing Date, EH-BT will be dormant.

In the event that EH-BT becomes active and profitable, EH-BT's distribution policy will be to distribute as much of its income as practicable, and the determination to distribute and the quantum of distributions to be made by EH-BT will be determined by the Trustee-Manager Board at its sole discretion.

FREQUENCY OF DISTRIBUTIONS

After EHT is admitted to the Main Board of the SGX-ST, it will make distributions to Stapled Securityholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. EHT's first distribution will be for the period from the Listing Date to 31 December 2019 and will be paid by the Managers on or before 30 March 2020. Subsequent distributions will take place on a semi-annual basis. The Managers will endeavour to pay distributions no later than 90 days after the end of each distribution period.

EHT's primary sources of liquidity for the funding of distributions, servicing of debt, payment of non-property expenses and other recurring capital expenditures will be the receipts of rental income and borrowings.

Each of the USHI LLCs will distribute cash up to USHIL Holdco which will in turn distribute cash up to US Corp. The ASAP6 Holdcos will distribute cash up to their direct holding entities, which will in turn distribute cash to the Cayman LLCs. The Cayman LLCs will in turn distribute cash to Cayman Corp 2, which will distribute cash to US Corp. US Corp will distribute cash to Cayman Corp 1 through interest payments and/or repayment of the principal in relation to the loan from Cayman Corp 1 and Cayman Corp 1 will in turn distribute cash to SG Lending Sub. US Corp will also distribute dividends and/or return capital to SG Corp. Both SG Corp and SG Lending Sub will distribute dividends up to EH-REIT. To the extent EH-REIT holds any properties acquired by EH-REIT post-Listing by the same holding structure, the abovementioned flow of funds and distributions are expected to apply. With respect to EH-BT which is currently dormant, in the event that EH-BT becomes operational in the future, any flow of funds and distributions will ultimately depend on the commercial, legal and tax considerations at that point in time.

Under the Property Funds Appendix, if the REIT Manager declares a distribution that is in excess of profits, the REIT Manager should certify, in consultation with the REIT Trustee, that it is satisfied on reasonable grounds that, immediately after making the distribution, EH-REIT will be able to fulfil, from the EH-REIT Deposited Property, the liabilities of EH-REIT as they fall due. The certification by the REIT Manager should include a description of the distribution policy and the measures and assumptions for deriving the amount available to be distributed from the EH-REIT Deposited Property. The certification should be made at the time the distribution is declared. Under the BTA, if the Trustee-Manager declares a distribution of profits, income or other payments or returns to the BT Unitholders out of the trust property, such distribution shall only be made if the Trustee-Manager Board is satisfied on reasonable grounds that, immediately after making the distribution, the Trustee-Manager will be able to fulfil, from the EH-BT Trust Property, the liabilities of EH-BT as these liabilities fall due.

DISTRIBUTION CURRENCY

Distributions will be declared in U.S. dollars. Each Stapled Securityholder will receive his distribution in Singapore dollars equivalent of the U.S. dollar distribution declared, unless he elects to receive the relevant distribution in U.S. dollars by submitting a "Distribution Election Notice" by the relevant cut-off date. For the portion of the distributions to be paid in Singapore dollars, the Managers will make the necessary arrangements to convert the distributions in

U.S. dollars into Singapore dollars, at such exchange rate as the Managers may determine, taking into consideration any premium or discount that may be relevant to the cost of exchange. CDP, the Managers or EHT shall not be liable for any loss arising from the conversion of distributions payable to Stapled Securityholders from U.S. dollars into Singapore dollars. Save for approved depository agents (acting as nominees of their customers), each Stapled Securityholder may elect to receive his entire distribution in Singapore dollars or U.S. dollars and shall not be able to elect to receive distributions in a combination of Singapore dollars and U.S. dollars.

DISTRIBUTIONS WILL BE REDUCED IF A STAPLED SECURITYHOLDER DOES NOT SUBMIT REQUIRED U.S. TAX FORMS AND DOCUMENTATION

The Foreign Account Tax Compliance Act (FATCA), was enacted by the U.S. as part of the 2010 Hiring Incentives to Restore Employment Act. FATCA requires financial institutions outside the U.S. ("**foreign financial institutions**" or "**FFIs**") to enter into an agreement with the U.S. Internal Revenue Service (the "**IRS**") ("**FFI Agreement**"), to, among other things, pass information about financial accounts held, directly or, in certain cases, indirectly, by certain U.S. persons to the IRS on an annual basis. Certain countries have entered into intergovernmental agreements ("**IGAs**") with the U.S. which allow for simplified implementation of FATCA in those jurisdictions.

Unless exemptions apply, any FFI that fails to comply with FATCA obligations under an IGA, IGA-related legislation, IGA-related guidance or the FFI Agreement, might be treated as a nonparticipating FFI, and hence, subject to a 30% withholding tax on U.S. source fixed or determinable annual or periodical income, including but not limited to interest and dividends ("**withholdable payment**"). The 30% withholding tax also applies to persons who fail to provide required information to FFIs when requested ("**recalcitrant account holders**").

The FATCA obligations imposed under an IGA, IGA-related legislation, IGA-related guidance and FFI Agreement, typically include collection of information concerning an FFI's account holders, reporting of required information on account holders that are treated as reportable to the IRS or the applicable IGA country's authority (which then exchanges the information with the IRS), and, in certain cases, withholding upon certain payments to recalcitrant account holders and nonparticipating FFIs, and/or closing of their accounts. Depending on the actual status of an FFI, there is also a requirement to register with the IRS and obtain a global intermediary identification number, or "GIIN".

On 9 December 2014, Singapore signed a Model 1 IGA with the United States (the "**U.S. – Singapore IGA**"). Subsequently, on 18 March 2015, Income Tax (International Tax Compliance Agreements) (United States of America) Regulations 2015 came into effect and provided for the implementation of FATCA obligations arising under the U.S. – Singapore IGA.

Each investor should note that they might be required to comply with certain documentation requirements under FATCA as a result of their subscription for the Stapled Securities. Specifically, each investor must establish their status for FATCA purposes by providing a properly completed and duly exercised applicable IRS Form W-9, Form W-8 (such as Form W-8BEN, Form W-8BEN-E, Form W-8ECI, Form W-8EXP, and Form W-8IMY (or applicable successor forms)), or such other certification or other information related to FATCA.

For the avoidance of doubt, the request for submission of the aforementioned forms will be initiated by CDP, security custodians, the Managers, EH-REIT, EH-BT or EHT depending on whether subscription for the Stapled Securities by an investor is under a private placement or public offering. For example, when subscription is under a public offering and an investor opens a direct security account with CDP to acquire the Stapled Securities, information or documentation pertaining to FATCA will be requested by CDP at the account opening. A Stapled Securityholder must also provide a new properly completed and duly executed form for FATCA purposes to CDP, security custodians, the Managers, EH-REIT, EH-BT or EHT (as applicable), should there be any changes to their status, including, but not limited to, information relating to name, address,

citizenship, personal identification number or tax identification number, tax residencies, and FATCA classification, which cause the originally submitted form to be invalid, inaccurate or unreliable. If a Stapled Securityholder fails to provide or to update relevant information necessary for compliance with FATCA, or provide inaccurate, incomplete or false information, amounts payable by EHT to the Stapled Securityholder may be subject to deduction or withholding in accordance with FATCA withholding tax rules.

Additionally, CDP, security custodians, the Managers, EH-REIT, E-BT or EHT might disclose certain information relating to a Stapled Securityholder to IRAS, IRS, or other applicable tax or regulatory authorities for the purpose of compliance with FATCA. Such information may include, without limitation, confidential information such as financial information concerning the investor's ownership of the Stapled Securities, and information relating to the investor's shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect).

Further, each Stapled Securityholder is deemed to acknowledge and agree that the Managers, EH-REIT, EH-BT or EHT may take such actions as it considers necessary in relation to such investor's Stapled Security holding or dividends/distribution payments to ensure that any withholding tax payable, and any related costs, interest, penalties and other losses and liabilities suffered by the Managers, EH-REIT, EH-BT or EHT or any agent, delegate, employee, director, officer, manager, member or affiliate of the foregoing persons pursuant to FATCA, arising out of or in connection with such Stapled Securityholder's FATCA status or failure to provide the requested documentation or information for FATCA compliance, is economically borne by such Stapled Securityholder.

Subject to specified limitations, Stapled Securityholders (or, in the case of a Stapled Securityholder that is not a beneficial owner of an investment in the Stapled Security, its ultimate beneficial owner(s)) will be able to credit the amount of FATCA withholding taxes withheld with respect to such Stapled Securityholders against their actual U.S. tax liability (if any) and claim a refund of any amount of such withholding tax in excess of their actual U.S. tax liability from the IRS. The preceding sentence shall not, however, apply to a Stapled Securityholder that is itself a nonparticipating FFI unless the person is entitled to a reduced rate of tax pursuant to an applicable treaty obligation of the US. In either case, such withheld amounts will not be refunded by IRAS or other applicable non-U.S. tax or regulatory authorities. The Managers, EH-REIT, EH-BT or EHT will not be obliged to assist a Stapled Securityholder in obtaining a refund for the amounts deducted or withheld under FATCA.

The FATCA withholding and documentation rules are to be applied without regard to any exemptions afforded under existing documentation and withholding requirements. The requirements of and exceptions from FATCA are complex and remain potentially subject to material changes resulting from additional regulations and other guidance from the U.S. and other jurisdictions that may pass their own laws similar to FATCA. Each investor is urged to consult their tax advisor regarding the applicability of these provisions and any other reporting requirements with respect to their own circumstances.

Likewise, this documentation is also required in order to establish your eligibility for the portfolio interest exemption which would eliminate required U.S. tax on your distribution. If a non-U.S. Stapled Securityholder does not exceed the Portfolio Interest Exemption Limit and provides all duly completed necessary documents for compliance with U.S. tax withholding requirements to the Managers which establishes their status for FATCA purposes and eligibility for the Portfolio Interest Exemption, EHT shall pay the full amount of distributions attributable to the interest payments from the US Corp to Cayman Corp 1 to such Stapled Securityholder free from withholding. In the event that the information provided to the Managers is inaccurate, incomplete or false and the distributions paid to such Stapled Securityholder should have been subject to withholding, such Stapled Securityholder shall be liable to EHT for the full amount of such withholding and EHT shall be entitled to take all available measures to recover such amount from such Stapled Securityholder.

For the avoidance of doubt, if a non-U.S. Stapled Securityholder exceeds the Portfolio Interest Exemption Limit and/or fails to provide all necessary documents as described above, only the distributions of such Stapled Securityholder shall be subject to withholding and there is no impact on the distributions of other Stapled Securityholders and EHT.

As an illustration, if EHT were to declare a distribution of 4.27 U.S. cents per Stapled Security for Forecast Period 2019 and a distribution of 6.54 U.S. cents per Stapled Security for Projection Year 2020, and assuming that such hypothetical distributions were attributed solely to interest paid by US Corp to Cayman Corp 1, the amount you would receive from such hypothetical distributions would vary depending on whether the required documentation or information is duly completed and received by EHT as follows:

No.	Documentation/Other Information	Distribution Paid
1	Duly completed, demonstrates eligibility for the Portfolio Interest Exemption, establishes FATCA status, and received by the Managers	4.27 US cents per Stapled Security (or its equivalent amount in Singapore dollars) for Forecast Period 2019, and 6.54 US cents per Stapled Security (or its equivalent in Singapore dollars) for Projection Year 2020(1)
2	Failure to provide documentation or other information to the Managers or information provided to the Managers are inaccurate, incomplete or false	2.99 US cents per Stapled Security (or its equivalent amount in Singapore dollars) for Forecast Period 2019, and 4.58 US cents per Stapled Security (or its equivalent in Singapore dollars) for Projection Year 2020(1)

Note:

(1) In each case, (i) based on the assumption that the distribution is attributable solely to interest paid by US Corp to Cayman Corp 1 and (ii) based on 30% withholding tax.

For the avoidance of doubt, this illustration is not based on actual projected distributions or on the actual amount of interest expected to be paid by US Corp to Cayman Corp 1.

Subject to specified limitations, the amount of any tax withheld generally will be creditable against the U.S. federal income tax liability of the beneficial owner of the Stapled Securities, and such person may file for a refund from the IRS of any amount of withheld tax in excess of that tax liability, provided that the applicable withholding agent has properly deposited the withheld tax with the IRS. However, such withheld amounts may not be refunded by the IRAS or other applicable non-US tax or regulatory authorities. (See "Taxation – United States Taxation – FATCA" and Appendix F for further details.)

CONSIDERATIONS RELATING TO AUTOMATIC EXCHANGE OF INFORMATION/COMMON REPORTING STANDARD

Endorsed by Organisation for Economic Cooperation and Development ("**OECD**") Council and the Global Forum for Transparency and Exchange of Information for Tax Purposes, the Common Reporting Standard ("**CRS**") has been developed to call on regular exchange of financial account information between jurisdictions, with the objective of detecting and deterring tax evasion by taxpayers through the use of offshore accounts. It sets out the different types of in-scope accounts and taxpayers, the financial institutions ("**FIs**") that are required to comply and report, the financial account information required to be exchanged, as well as the customer due diligence procedures to be followed by these FIs. While CRS does deviate in certain aspects from the intergovernmental

approach to FATCA reporting, it draws extensively on the FATCA reporting regime to maximise efficiency and reduce costs for implementing jurisdictions and their FIs.

More than 100 jurisdictions, including major financial centres such as United Kingdom, Hong Kong, Luxembourg and Switzerland, have endorsed the CRS. On 8 December 2016, Singapore enacted the Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016 ("**Singapore CRS Regulations**"), which incorporate the requirements of CRS into Singapore's domestic legislative framework and empower all Singapore FIs to put in place the necessary processes and systems to obtain financial account information starting from 1 January 2017. Under the Singapore CRS Regulations, the annual CRS reporting deadline applicable to reporting FIs in Singapore is 31 May of each calendar year. Exchange of information takes place by September annually, starting from 2018.

CDP, security custodians, the Managers, EH-REIT, EH-BT or EHT might be treated as a Financial Institution, and reporting FI ("**RFI**") as per the Singapore CRS Regulations if no exemption applies. As a result, CDP, security custodians, the Managers, EH-REIT, EH-BT or EHT might be obliged to request information and/or documentation in relation to the identity, tax residency as well as tax identification number of a Stapled Securityholder, including a self-certification form, and/or any other valid evidence of the Stapled Securityholder's CRS declaration as part of their CRS compliance. A Stapled Securityholder must agree to provide a new properly completed and duly executed form for CRS purposes to CDP, security custodians, the Managers, EH-REIT, EH-BT or EHT (as applicable), should there be any changes to their status, including, but not limited to, information relating to name, address, citizenship, personal identification number or tax identification number, tax residencies, and CRS classification, which cause the originally submitted form to be invalid, inaccurate or unreliable.

If a Stapled Securityholder's CRS status is that of a reportable person as per Singapore CRS Regulations, disclosure of information to IRAS or any equivalent authority by CDP, security custodians, the Managers, EH-REIT, EH-BT or EHT could be triggered. Information subject to reporting may include, without limitation, confidential information such as financial information concerning the Stapled Securityholder's investment, and any information relating to shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of the Stapled Securityholder. In the event that the requested information or documentation is not provided or updated, or such information or documentation provided does not satisfy the requirements under the Singapore CRS Regulations, each investor should also note and agree that they might be treated as reportable.

There are currently no withholding tax requirements set out under CRS regime. However, there can be no assurance that IRAS or relevant authorities will not make significant changes or amendments in CRS laws or regulations that might in turn result in additional taxes to be imposed on a Stapled Securityholder's investment and/or distributions from EHT to a Stapled Securityholder. Accordingly, should there be any withholding taxes arising from future changes to the CRS laws or regulations, each Stapled Securityholder shall be deemed to agree that any withholding tax payable, and any related costs, interest, penalties and other losses and liabilities suffered by the Managers, EH-REIT, EH-BT or EHT or any agent, delegate, employee, director, officer, manager, member or affiliate of the foregoing persons pursuant to the changes, arising out of or in connection with such Stapled Securityholder's CRS status or failure to provide the requested documentation or information for CRS compliance, will ultimately be borne by the Stapled Securityholder.

EXCHANGE RATE INFORMATION AND EXCHANGE CONTROLS

EXCHANGE RATE INFORMATION

The following tables set forth, for the period from 2014 to the Latest Practicable Date, information concerning the exchange rates between Singapore dollars and U.S. dollars (in Singapore dollar per U.S. dollar). The exchange rates were based on the average between the bid and offer rates of the currency as obtained from Bloomberg L.P.. No representation is made that the U.S. dollar amounts actually represent such Singapore dollar amounts or could have been or could be converted into Singapore dollars at the rates indicated, at any other rate, or at all. The exchange rates set out below are historical rates for illustrative purposes only and no representation is made regarding any trends in exchange rates.

	Singapore dollar per U.S. dollar[1]		
Period ended	**Average**	**High**	**Low**
2014	1.27	1.33	1.24
2015	1.37	1.43	1.32
2016	1.38	1.45	1.34
2017	1.38	1.45	1.34
2018	1.35	1.39	1.31
October 2018	1.38	1.39	1.37
November 2018	1.38	1.38	1.37
December 2018	1.37	1.38	1.36
January 2019	1.36	1.37	1.35
February 2019	1.35	1.36	1.35
March 2019	1.35	1.36	1.35
April 2019[2]	1.36	1.35	1.35

Notes:

(1) **Source**: Bloomberg L.P. Bloomberg L.P. has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA) to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (both read with Section 302(1) of the SFA). While the Managers have taken reasonable actions to ensure that the information from the relevant report published by Bloomberg L.P. is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such report, none of the Managers, the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators, the Joint Bookrunners or any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

(2) Until the Latest Practicable Date.

EXCHANGE CONTROLS

United States

Currently, no exchange control restrictions exist in the United States. The US dollar has been, and in general is, freely convertible.

CAPITALISATION AND INDEBTEDNESS

The following tables set forth the pro forma capitalisation of EHT and EH-REIT as at the Listing Date and after application of the total proceeds from the Offering and the issuance of the Cornerstone Stapled Securities, based on the Offering Price, and the expected drawdowns and/or assumption under the EH-REIT Debt Facilities. The information in the table below should be read in conjunction with "Use of Proceeds".

CAPITALISATION(1)

EHT

	As at the Listing Date
	Based on Offering Price (US$'000)
EH-REIT Debt Facilities	507,530
Stapled Securityholders' funds	676,953
Total Capitalisation	**1,184,483**

EH-REIT

	As at the Listing Date
	Based on Offering Price (US$'000)
EH-REIT Debt Facilities	507,530
EH-REIT Units in issue	676,953
Total Capitalisation	**1,184,483**

Note:

(1) No capitalisation is presented for EH-BT as it is dormant as at the Listing Date.

INDEBTEDNESS

EH-REIT

As at the Listing Date, EH-REIT and its subsidiaries are expected to have access to indebtedness financing of up to approximately US$508 million comprising:

(a) New Term Loan Facilities (as defined below) of US$341 million which are secured against, among others, equity interests of all direct and indirect subsidiaries of US Corp and the three ASAP Property Borrowers[1] that own a Borrowing Base Property;

1 The three ASAP Property Borrowers are Atlanta Hotel Holdings, LLC, ASAP Salt Lake City Hotel, LLC and Sky Harbor Denver Holdco, LLC, which are the direct parent of the property owners of Hilton Atlanta Northeast, Doubletree Salt Lake City and the Sheraton Denver Tech Center respectively.

(b) approximately US$78 million of mortgage loans which are secured against, among others, (i) Renaissance Woodbridge; (ii) Hilton Houston Galleria Area; and (iii) Crowne Plaza Dallas Near Galleria-Addison ("**ASAP Mortgage Loans**"); and

(c) a US$89 million unsecured loan from Lodging USA Lendco, LLC (the "**Unsecured Loan**") whose rights to receive payments thereunder (including interest) is subordinated to the payment obligations under the Facilities (as defined below).

The gross amount of outstanding indebtedness relating to borrowed money on or about the Listing Date is anticipated to be approximately US$508 million comprising the New Term Loan Facilities, the ASAP Mortgage Loans and the Unsecured Loan. As at the Listing Date, EH-REIT is expected to have an Aggregate Leverage of approximately 38.0% and the debt service coverage ratio is expected to be more than 3.0 times.

New Term Loan Facilities

EH-REIT, through the USHIL Holdco and the three ASAP Property Borrowers, will be entering into a syndicated loan facilities agreement and related agreements (the "**New Facilities Agreements**") with a syndicate of lenders (the "**Facilities Lenders**") under which USHIL and the three ASAP Property Borrowers will obtain term loan facilities and/or revolving credit facilities. It is anticipated that an initial US$341 million will be borrowed by USHIL Holdco and the three ASAP Property Borrowers from Facilities Lenders which will include Bank of America N.A. (or its affiliate), which is an affiliate of Merrill Lynch (Singapore) Pte. Ltd., Bank of the West, a California banking corporation which is wholly owned by BNP Paribas, Deutsche Bank AG New York Branch, which is an affiliate of Deutsche Bank AG, Singapore Branch, DBS Bank Ltd. and UBS AG, Stamford Branch, which is an affiliate of UBS AG, Singapore Branch pursuant to three term loan facilities comprising:

(a) a term loan facility of approximately US$134 million with loan maturity of three years obtained from the Facilities Lenders ("**3 Year Term Loan Facility**");

(b) a term loan facility of approximately US$104 million with loan maturity of four years obtained from the Facilities Lenders ("**4 Year Term Loan Facility**"); and

(c) a term loan facility of approximately US$104 million with loan maturity of five years obtained from the Facilities Lenders ("**5 Year Term Loan Facility**", and together with the 3 Year Term Loan Facility and 4 Year Term Loan Facility, the "**New Term Loan Facilities**").

The terms of the New Facilities Agreements include an accordion feature, pursuant to which up to an additional US$250 million of loan facilities may be obtained by USHIL Holdco and/or the three ASAP Property Borrowers (the "**Accordion Facilities**"), subject to the agreement by the relevant lenders at the relevant time, which may be any of the Facilities Lenders or other lenders who agree to provide such loan facilities in accordance with the terms of the New Facilities Agreements.

The maximum amount of loan facilities that may be obtained under the terms of the New Facilities Agreements is anticipated to be limited to the borrowing base amount, which as of any date is determined by the lesser of:

(a) the lesser of either (i) 45% of the aggregate appraised values of Properties comprising the Initial Portfolio, excluding the three Properties encumbered by the ASAP Mortgage Loans (the "**Borrowing Base Properties**") or (ii) such percentage, in relation to the aggregate appraised value of the Borrowing Base Properties, that corresponds to the maximum amount of leverage as may be permitted under the Property Funds Appendix; and

(b) the amount of principal of the Facilities that would result in a pro-forma debt service coverage ratio of (i) 1.30 to 1.00 (for the first fiscal quarter of 2019), (ii) 1.35 to 1.0 (for the second fiscal quarter of 2019), and (iii) 1.5 to 1.0 (for the third fiscal quarter of 2019 and thereafter).

The amount drawn down under the New Facilities Agreements on or about the Listing Date is anticipated to be approximately US$341 million, comprising the New Term Loan Facilities. The proceeds from the New Term Loan Facilities will be used to repay a portion of the indebtedness and other liabilities encumbering or relating to the 15 Properties that will comprise the Borrowing Base Properties at closing, representing all the Properties in the Initial Portfolio except for the three Properties encumbered by the ASAP Mortgage Loans. The New Term Loan Facilities will bear interest at a floating rate equal to prevailing US$ London Inter-bank Offered Rate ("**LIBOR**") plus the Applicable Margin, where the "Applicable Margin" means:

Facility	Applicable Margin
3 year Term Loan Facility	1.20%
4 year Term Loan Facility	1.30%
5 year Term Loan Facility	1.40%

The REIT Manager intends to enter into interest rate hedging contracts to fix the interest rate on at least 75% of the amounts outstanding under the New Term Loan Facilities.

The New Facilities Agreements are anticipated to contain financial covenants that are typical for financing of such nature. The material financial covenants would require that, *inter alia*:

- total indebtedness of EHT, EH-REIT, EH-BT and their subsidiaries (the "**Stapled Group**") shall not be more than the lesser of (i) 45% or (ii) such other percentage limit that corresponds to the maximum percentage of leverage in relation to the value of the EH-REIT Deposited Property as may be permitted under the Property Funds Appendix;

- all secured indebtedness of the Stapled Group (other than those incurred under the terms of the New Facilities Agreements) shall not exceed 30% of the value of the EH-REIT Deposited Property;

- all secured recourse indebtedness of the Stapled Group shall not exceed 5% of the value of the EH-REIT Deposited Property;

- tangible net worth of the Stapled Group shall be not less than 75% of the tangible net worth at closing and 75% of net cash proceeds of post-closing equity issuances; and

- ratio of adjusted EBITDA to fixed charges shall not be less than 1.5 to 1.0.

Each of the loan facilities under the New Facilities Agreements will be secured by, *inter alia*:

- pledges over 100% of the issued and outstanding equity interests of all direct and indirect subsidiaries of US Corp and the three ASAP Property Borrowers that own a Borrowing Base Property, together with all present and future intercompany debt of such subsidiary owing to US Corp, and the Cayman Islands incorporated holding companies which own the three ASAP Property Borrowers; and

- pledges over the security deposit and rents received from the Master Lessees in respect of the Borrowing Base Properties.

The loan facilities under the New Facilities Agreements are full recourse to USHIL Holdco and the three ASAP Property Borrowers, as borrowers, and EH-REIT, EH-BT, US Corp and various subsidiaries of US Corp as guarantors.

Pursuant to the terms of the New Facilities Agreements, each entity that owns and leases a Borrowing Base Property as subsidiary guarantor (each, a "**BBP Lessor**") will pledge the security deposit received from the applicable Master Lessee under the applicable Master Lease to the Administrative Agent under the New Facilities Agreements, and, pursuant to a related separate agreement with the Master Lessees, the Master Lessees will consent to such pledges. The Administrative Agent may not, however, foreclose on the security deposit unless (i) the BBP Lessor has the right to utilise the security deposit under the applicable Master Lease (i.e. there is an event of default under the Master Lease), and (ii) the Administrative Agent also has the right to foreclose on the pledge of the equity interests in the BBP Lessor (i.e., there is an Event of Default under the terms of the New Facilities Agreements). If both these conditions are met and the Administrative Agent applies the security deposit to the debt under the Facilities, the amount applied would also be deemed to satisfy, to the extent applied, the Master Lessee's outstanding lease obligations.

The following are anticipated to constitute mandatory prepayment penalty events in favour of the Facilities Lenders and any other lenders under the terms of the New Facilities Agreements:

- EH-REIT ceases to be a collective investment scheme as authorised under the SFA; and

- the Stapled Securities cease to be listed on the official list of the SGX-ST or are suspended from such listing for a period of more than 12 business days.

In addition, the New Facilities Agreements are anticipated to contain "change of control" events, where if such events are triggered, the lenders under the New Facilities Agreements (a) shall not be obliged to fund any utilisation of the relevant loan facilities and (b) may cancel the relevant loan facilities and require mandatory repayment of all outstanding loans under the relevant loan facilities. Such "change of control" events include the following:

- the REIT Manager ceases to be the manager of EH-REIT or the Trustee-Manager ceases to be the trustee-manager of the EH-BT, or the REIT Manager or the Trustee-Manager ceases to be majority-owned and controlled, directly or indirectly, by Howard Wu and Taylor Woods, unless a replacement manager or trustee-manager (as the case may be) reasonably acceptable to Bank of America, N.A. (as administrative agent for the Facilities Lenders) (the "**Administrative Agent**") and the Facilities Lenders holding more than 50% of the commitments and loans under the Facilities (the "**Required Lenders**") is appointed;

- any of the Master Lessees ceases to be majority-owned and/or controlled, directly or indirectly, by Howard Wu and Taylor Woods or by a replacement key principal reasonably acceptable to the Administrative Agent and the Required Lenders, unless EH-BT becomes the master lessee of the Properties;

- if any two of the three key principals, Howard Wu, Taylor Woods or Salvatore Takoushian dies or becomes disabled or otherwise ceases to be active on a daily basis in the management of EH-REIT or EH-BT (each, a "**Key Principal Cessation Event**") provided that such Key Principal Cessation Event shall not be a "Change of Control" so long as a replacement executive of comparable experience and reasonably satisfactory to the Administrative Agent and the Facilities Lenders and the Required Lenders, shall have been retained within three months of such Key Principal Cessation Event;

- EH-REIT ceasing to own and control, directly or indirectly, 100% of US Corp or US Corp ceasing to own and control, directly or indirectly, 100% of each of its subsidiaries providing a guarantee of the Facilities (except for certain permitted dispositions of such subsidiaries);

- any person or group of persons, other than the Sponsor and its affiliates (including for the avoidance of doubt any investment vehicle owned and controlled by Howard Wu and Taylor Woods), shall acquire directly or indirectly, more than 35.0% of EHT;

- a change of trustee for EH-REIT or EH-BT occurs, unless a replacement trustee is appointed in accordance with the EH-BT Trust Deed and the EH-REIT Trust Deed (as applicable); and

- the Founders and their affiliates and the Sponsor's wholly-owned and controlled subsidiaries failing to own an effective shareholding of at least US$35.0 million of Stapled Securities for as long as the debt yield[1] relating to the Facilities is less than 11.50%.

ASAP Mortgage Loans

On the Listing Date, EH-REIT will:

(i) assume the existing mortgage loans secured by Hilton Houston Galleria Area and Crowne Plaza Dallas Near Galleria-Addison as they cannot be prepaid when the aforementioned Properties are acquired by EH-REIT on the Listing Date; and

(ii) put in place a mortgage loan secured by Renaissance Woodbridge (together with existing mortgage loans secured by Hilton Houston Galleria Area and Crowne Plaza Dallas Near Galleria-Addison as the "**ASAP Mortgage Loans**"), which will be used to prepay the existing mortgage loan secured by the Renaissance Woodbridge ("**RW Mortgage Loan**") as the lender of the RW Mortgage Loan did not consent to the assumption of the RW Mortgage Loan by EH-REIT.

The key details of the ASAP Mortgage Loans are summarised in the table below:

Property	**Hilton Houston Galleria Area**	**Crowne Plaza Dallas Near Galleria-Addison**	**Renaissance Woodbridge**
ASAP Mortgage Loan Lender(s)	Wilmington Trust, National Association, as Trustee for the benefit of the registered holders of Wells Fargo Commercial Mortgage Trust 2017-C41, Commercial Mortgage Pass-Through Certificates, Series 2017-C41	Wilmington Trust, National Association, as Trustee, for the Benefit of Holders of Benchmark 2018-B4 Mortgage Trust Commercial Mortgage Pass-Through Certificates, Series 2018-B4	Wells Fargo Bank
ASAP Mortgage Borrowers	6780 Southwest FWY, Houston, LLC	14315 Midway Road Addison LLC	44 Inn America Woodbridge Associates, L.L.C.
Original Principal Amount	Approximately US$15.6 million	Approximately US$27.6 million	–

1 The debt yield is calculated based on the net property income of the Borrowing Base Properties divided by the aggregate amount drawn under the Facilities.

Property	Hilton Houston Galleria Area	Crowne Plaza Dallas Near Galleria-Addison	Renaissance Woodbridge
Outstanding Amount on Listing Date	Approximately US$15.3 million	Approximately US$27.2 million	US$35.0 million
Start Date	24 October 2017	20 December 2017	Listing Date
Maturity Date	11 November 2022	6 January 2028	Two years from the Listing Date (with a one-year extension option, subject to conditions)
Term	Approximately six years	Approximately 11 years	Two years (with a one-year extension option, subject to conditions)
Interest Rate	5.24%	4.92%	3.0% plus the prevailing one-month LIBOR (with a minimum LIBOR of 1.0%)
Principal amortisation (per month)	Principal amortises on a 25 year schedule	Principal amortises on a 30 year schedule	Principal amortises on a 30 year schedule

The ASAP Mortgage Loans include representations, warranties and covenants by the ASAP Mortgage Borrowers which are customary for U.S. mortgage loans. In particular, there are a number of financial covenants and negative pledges to be observed by the ASAP Mortgage Borrowers. Certain of the financing agreements relating to the ASAP Mortgage Loans require that the relevant ASAP Mortgage Borrower maintain certain financial ratios (such as debt service coverage ratio, net operating income to outstanding principal amount of debt ratio, loan to value ratio etc.) within specified thresholds. With respect to the Crowne Plaza Dallas Near Galleria-Addison, the ASAP Mortgage Borrower has agreed with the relevant ASAP Mortgage Loan Lender that it will set aside a cash reserve of US$16.6 million (the "**CPDG Reserve**") which would not be utilised unless an event of default occurs. If an event of default occurs, the relevant ASAP Mortgage Loan Lender may accelerate the repayment of the outstanding loan amount under the relevant ASAP Mortgage Loan, and the CPDG Reserve may in such event be utilised by the relevant ASAP Mortgage Loan Lender to partially repay such amounts (with accrued interest), subject to customary penalties, fees and other customary remedies. Otherwise if the relevant ASAP Mortgage Borrower is able to achieve a debt coverage ratio of 1.55x for two consecutive quarters, the CPDG Reserve is no longer required. The existence of a mandatory, springing cash reserve of this type is customary in U.S. mortgage loan financings and where the lender is interested in incentivising borrower to maintain a certain debt service coverage ratio. The ASAP Mortgage Borrower will fund the CPDG Reserve from borrowings under the Unsecured Loan, and not from excess revenues generated by Crowne Plaza Dallas Near Galleria-Addison which remain available for use by EH-REIT, after taking into account mandatory payments (e.g. certain operating expenses, debt service, etc.) under the applicable ASAP Mortgage Loan.

In addition, the ASAP Mortgage Loans contain customary anti-transfer provisions (including "change of control" events) where if such transfers are effectuated, the ASAP Mortgage Loan Lender(s) may declare an event of default and require immediate mandatory repayment of the ASAP Mortgage Loans (with accrued interest), subject to certain customary penalties, fees and other customary remedies. Such "change of control" events include, but are not limited to, (i) the Founders no longer controlling the REIT Manager and (ii) any of the Master Lessees ceasing to be majority-owned and/or controlled, directly or indirectly, by Howard Wu and Taylor Woods.

Further, the ASAP Mortgage Loans are subject to certain prohibitions and restrictions (including payment of prepayment fees and premiums) against prepayment prior to specified time-frames:

- in relation to Hilton Houston Galleria Area, the ASAP Mortgage Loan may only be prepaid without penalty on or after 11 August 2022, or defeased on or after 30 November 2019; and

- in relation to Crowne Plaza Dallas Near Galleria-Addison, the ASAP Mortgage Loan may only be prepaid without penalty on or after 6 October 2027, or defeased on or after 13 July 2020; and

- in relation to Renaissance Woodbridge, the ASAP Mortgage Loan may only be prepaid pursuant to a prepayment fee equal to 2.0% of the outstanding principal balance (if the ASAP Mortgage Loan is prepaid within six months from the Listing Date) and 1.0% of the outstanding principal balance (if the ASAP Mortgage Loan is prepaid on any date from the seventh month to the twelfth month of the Listing Date).

In connection with the ASAP Mortgage Loans, Howard Wu and Taylor Woods (the "**Founder Guarantors**") and EH-REIT and/or US Corp (the "**Corporate Guarantors**", and collectively with the Founder Guarantors, the "**Guarantors**") have agreed to provide the applicable ASAP Mortgage Loan Lender with (i) a customary non-recourse carve-out guarantee and environmental indemnity (collectively, the "**Guarantees**"), (ii) solely with respect to the mortgage loan secured by Renaissance Woodbridge, a partial recourse guarantee of the original principal amount (the "**Partial Recourse Guarantee**", together with the Guarantees, the "**Indemnified Guarantee**"), and (iii) solely with respect to the mortgage loan secured by Hilton Houston Galleria Area, a customary PIP completion guarantee. Guarantees by individuals are not unusual in commercial mortgage financings in the U.S. and it is often the key individual principals of the ultimate owners of the business that are asked to provide such Guarantees. The non-recourse carve-outs are triggered upon the occurrence of certain events involving, among other things, (i) bankruptcy filings of any of the ASAP Mortgage Borrowers or the Guarantors, (ii) sale of the Property without the applicable ASAP Mortgage Loan Lender's consent, (iii) additional encumbrances placed on the Property without the applicable ASAP Mortgage Loan Lender's consent, (iv) violation of the special purpose entity covenants, (v) fraud or intentional misrepresentation of the ASAP Mortgage Borrowers or the Founder Guarantors, (vi) misappropriation or misapplication of insurance proceeds, rents or security deposits, and (vii) waste at the Property.

The non-recourse carve-outs relating to the abovementioned events can either result in either full recourse against the Guarantors, or the Guarantors being liable for the damages suffered by the ASAP Mortgage Loan Lender in respect of such actions, depending on the applicable guarantee agreement. Under each environmental indemnity, the Guarantors have agreed to indemnify the applicable ASAP Mortgage Loan Lender against liabilities the ASAP Mortgage Loan Lender would incur as a result of violations of environmental laws at the applicable Property. US Corp has agreed to indemnify the Founder Guarantors against liabilities arising under the Indemnified Guarantee to the extent not caused, directly or indirectly, by such persons.

As the ASAP Mortgage Loans are subject to higher interest rates as compared to the market interest rate achieved under the New Term Loan Facilities, the Vendors have agreed to issue a promissory note to subsidiaries of EH-REIT (the "**Interest Differential Note**") pursuant to the Securities Purchase Agreement with respect to the interest differential amount of US$4.8 million (the "**Interest Differential Amount**"). The Interest Differential Amount represents the interest expense to be incurred under the ASAP Mortgage Loans (until the maturity date of the ASAP Mortgage Loans), minus each of the interest expense to be incurred had the ASAP Mortgage Loans obtained the lower market interest rates under the New Term Loan Facilities.

The Interest Differential Amount shall be set aside in an interest reserve account and the monies will be used on a monthly basis to defray the higher cost of borrowings attributed to the ASAP Mortgage Loans. For Forecast Period 2019 and Projection Year 2020, EH-REIT is expected to draw down approximately US$0.1 million per month from the interest reserve account, with the remaining Interest Differential Amount to be utilised up to 2028 when the mortgage loan secured by Crowne Plaza Dallas Near Galleria-Addison matures.

If any of the ASAP Mortgage Loans is to be refinanced and/or repaid, the Managers' current intention would be to do so using the proceeds from the Accordion Facilities, and the Managers may include the relevant Property that is released from such repayment of any ASAP Mortgage Loans as part of the Borrowing Base Properties under the security for the Facilities. For the avoidance of doubt, except for a refinancing using proceeds from the Accordion Facilities and subject to availability of the Accordion Facilities, the Managers do not intend to enter into any other debt encumbering the Properties currently secured under the ASAP Mortgage Loans.

Unsecured Loan

EH-REIT, through US Corp, borrowed US$89 million under the Unsecured Loan from Lodging USA Lendco, LLC, a privately held Delaware limited liability company unaffiliated with the Sponsor (the "**Unsecured Lender**"), which is beneficially owned by one of the beneficial owners of the Third Party ASAP6 Portfolio Vendors. The Unsecured Loan has a maturity of approximately 63 months (which is approximately three months after the final maturity of the New Term Loan Facilities) and is divided into three tranches with an interest rate of 3.7% per annum. The first tranche of the Unsecured Loan, in the principal amount of US$38.4 million, is subject to mandatory prepayment from, and to the extent of any, sale or refinancing proceeds generated directly or indirectly by the Hilton Houston Galleria Area, Crowne Plaza Dallas Near Galleria-Addison and Renaissance Woodbridge hotels in excess of amounts payable under the applicable ASAP Mortgage Loan (or any refinancings thereof). The second tranche of the Unsecured Loan, in the principal amount of US$16.6 million, is subject to mandatory prepayment at such time as the CPDG Reserve is released when the relevant debt coverage ratio under the ASAP Mortgage Loan for the Crowne Plaza Dallas Near Galleria-Addison is achieved. The third tranche of the Unsecured Loan, in the principal amount of US$34.0 million, is subject to mandatory prepayment from, and to the extent of any, net proceeds from any additional advances made under the Accordion Facilities.

The Unsecured Lender's right to receive payments under the Unsecured Loan (including interest) is subordinate to the payment obligations under the Facilities. The Unsecured Loan is interest-only and may be prepaid in whole or in part at any time (including in connection with the mandatory prepayments described above) without any prepayment penalty or charge.

The Unsecured Loan includes customary representations, warranties and covenants. The Unsecured Loan also contains customary events of default under the Unsecured Loan are customary and including non-payment, fraud or misrepresentation and/or bankruptcy of the US Corp. For the avoidance of doubt, the Unsecured Loan does not contain any option of becoming secured for any reason.

Rule 728 Undertaking

For the purposes of Rule 728 of the Listing Manual, each Founder has provided an undertaking to the REIT Manager and the REIT Trustee and the Trustee-Manager that, for so long as each respective Founder is a controlling shareholder of the REIT Manager and/or the Trustee-Manager (as the case may be), it will notify the REIT Manager and the REIT Trustee and/or the Trustee-Manager (as the case may be) as soon as it becomes aware of the details of:

(i) any share pledging arrangement (or other arrangements having similar legal or economic effect) relating to all or any of the shareholding interests in the REIT Manager and/or the Trustee-Manager held directly or indirectly by each Founder; and

(ii) any event which may result in a breach of the terms of EH-REIT's and/or any of its subsidiaries' loans.

EH-BT

As at the Listing Date, EH-BT will be dormant and will not have any debt facilities in place.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following tables present Unaudited Pro Forma Consolidated Financial Information based on the Offering Price, assuming that the Over-Allotment Option is fully exercised.

The Reporting Auditors, KPMG LLP, have reported on the Unaudited Pro Forma Consolidated Financial Information and their report is included in Appendix B, "Reporting Auditors' Report on the Unaudited Pro Forma Consolidated Financial Information". The Unaudited Pro Forma Consolidated Financial Information has been prepared on the basis of the assumptions and accounting policies set out in Appendix C, "Unaudited Pro Forma Consolidated Financial Information", and should be read together with these assumptions and accounting policies.

The unaudited pro forma consolidated statements of comprehensive income for the years ended 31 December 2016, 2017 and 2018 and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2018 of EH-REIT and its subsidiaries (the "**Pro Forma Group**") only relate to the USHI Portfolio and do not include the pro forma financial results and cash flows arising from the ASAP6 Portfolio as the Managers do not have the historical financial information of the ASAP6 Portfolio for the aforementioned three years. The Third Party ASAP6 Portfolio Vendors are unrelated to the Sponsor and the Founders have only acquired the ASAP6 Portfolio from the Third Party ASAP6 Portfolio Vendors prior to the Listing Date (before EH-REIT acquires the ASAP6 Portfolio from the ASAP6 Portfolio Vendors).

For the reasons stated above, the SGX-ST has confirmed that it has no further comments on EHT's compliance with the requirement to prepare the historical pro forma statements of total return for the latest three financial years of EH-REIT, subject to the inclusion of the following in this Prospectus:

(a) the unaudited pro forma statement of comprehensive income for the financial years ended 31 December 2016, 31 December 2017 and 31 December 2018 and the unaudited pro forma statement of cash flows for the financial year ended 31 December 2018, in each case excluding the ASAP6 Portfolio;

(b) an unaudited pro forma balance sheet as at the Listing Date;

(c) a profit forecast for the Forecast Period 2019 and a profit projection for the Projection Year 2020; and

(d) disclosure in the Prospectus of the reasons for not providing the three years of historical pro forma financial information in relation to the ASAP6 Portfolio.

The unaudited pro forma consolidated statements of comprehensive income of the Pro Forma Group for FY2016, FY2017 and FY2018 reflect the profit after tax of the Pro Forma Group assuming the adjusted offering[1], the acquisition of the USHI Portfolio, except for The Queen Mary Long Beach, and the entry into the relevant Master Lease Agreements and the fee arrangements of the REIT Manager and the REIT Trustee as set out in "Overview – Certain Fees and Charges" (the "**Fee Arrangements**") had occurred or were effective on 1 January 2016 under the same terms as set out in the Prospectus. The acquisition of The Queen Mary Long Beach and the entry into its Master Lease Agreement are assumed to have occurred on or were effective on 16 April 2016 as the USHI Portfolio Vendor only acquired The Queen Mary Long Beach on 16 April 2016. Arising from the assumption that only the USHI Portfolio was acquired, the assumed level of indebtedness is correspondingly reduced.

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1 The adjusted offering refers to an assumed smaller amount of equity proceeds raised with respect to acquiring the USHI Portfolio, as the Unaudited Pro Forma Consolidated Statements of Comprehensive Income and Unaudited Pro Forma Consolidated Statement of Cash Flow assumes the acquisition of only the USHI Portfolio and not the ASAP6 Portfolio.

The unaudited pro forma consolidated statement of cash flows of the Pro Forma Group for FY2018 shows the cash flows of the Pro Forma Group assuming the adjusted offering[1], the acquisition of the USHI Portfolio, the Master Lease Agreements and the Fee Arrangements had occurred or were effective on 1 January 2018 under the same terms set out in the Prospectus. Arising from the assumption that only the USHI Portfolio was acquired, the assumed level of indebtedness is correspondingly reduced.

The unaudited pro forma consolidated statement of financial position of the Pro Forma Group as at the Listing Date presents the financial position of the Pro Forma Group assuming the Offering, the acquisition of the Initial Portfolio, the entry into the Master Lease Agreements and the Fee Arrangements had occurred or were effective on the Listing Date under the same terms set out in the Prospectus.

The objective of the Unaudited Pro Forma Consolidated Financial Information is to show what the profit after tax, cash flows and financial position might have been had the Pro Forma Group existed at an earlier date. However, the Unaudited Pro Forma Consolidated Financial Information of the Pro Forma Group is not necessarily indicative of the profit after tax and cash flows of the operations or financial position that would have been attained had the Pro Forma Group actually existed earlier. The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the actual profit after tax, cash flows or financial position of the Pro Forma Group.

EH-BT and EHT

No pro forma financial information of EH-BT has been presented as it is newly established and will be dormant as at the Listing Date. Accordingly, no pro forma consolidated financial information of EHT has been presented.

The unaudited pro forma consolidated financial information for the Pro Forma Group, based on the Offering Price, assuming that the Over-Allotment Option is fully exercised, is as follows.

1 The adjusted offering refers to an assumed smaller amount of equity proceeds raised with respect to acquiring the USHI Portfolio, as the Unaudited Pro Forma Consolidated Statements of Comprehensive Income and Unaudited Pro Forma Consolidated Statement of Cash Flow assumes the acquisition of only the USHI Portfolio and not the ASAP6 Portfolio.

UNAUDITED PRO FORMA STATEMENTS OF COMPREHENSIVE INCOME[1] OF THE PRO FORMA GROUP

USHI Portfolio Only (comprising 12 Properties)[2]

	FY2016 US$'000	FY2017 US$'000	FY2018 US$'000
Revenue	51,201	54,899	59,505
Property expenses	(7,003)	(9,871)	(12,149)
Net property income	44,198	45,028	47,356
Other income	–	–	2,423
REIT Manager's management fees	(2,650)	(2,756)	(4,165)
REIT Trustee's fee	(199)	(202)	(204)
Other trust expenses	(1,670)	(1,703)	(1,971)
Finance income	265	282	282
Finance costs	(15,680)	(15,711)	(15,723)
Net finance costs	(15,415)	(15,429)	(15,441)
	24,264	24,938	27,998
Fair value change in investment properties	113,193	–	–
Profit before tax	137,457	24,938	27,998
Tax expense	(23,874)	(98)	(103)
Profit after tax	113,583	24,840	27,895
Distribution adjustments[3]	(87,077)	2,090	3,726
Amount available for distribution	26,506	26,930	31,621

Notes:

(1) Based on the Offering Price per Stapled Security and assuming the Over-Allotment Option is exercised in full.

(2) The Properties comprising the USHI Portfolio are (i) Sheraton Pasadena, (ii) Holiday Inn Hotel & Suites Anaheim, (iii) Embassy Suites by Hilton Anaheim North, (iv) Holiday Inn Hotel & Suites San Mateo, (v) Four Points by Sheraton San Jose Airport, (vi) The Westin Sacramento, (vii) Embassy Suites by Hilton Palm Desert, (viii) The Queen Mary Long Beach, (ix) Renaissance Denver Stapleton, (x) Holiday Inn Denver East – Stapleton, (xi) Holiday Inn Resort Orlando Suites – Waterpark and (xii) Crowne Plaza Danbury.

(3) Distribution adjustments include mainly expenses relating to the amortisation of deferred income, straight-lining of rental income, REIT Manager's management fees paid/payable in Stapled Securities, REIT Trustee's fees, amortisation of upfront debt-related transaction costs, finance expense arising from remeasuring non-current rental deposits at amortised cost, fair value changes on investment properties and deferred tax expense.

UNAUDITED PRO FORMA STATEMENTS OF CASH FLOWS[1] OF THE PRO FORMA GROUP

USHI Portfolio Only (comprising 12 Properties)[2]

	Year ended 31 December 2018 US$'000
Cash flows from operating activities	
Net income before tax	141,693
Adjustments for:	
Rental income arising from amortisation of deferred income and rental straight-lining adjustments	(2,698)
Finance income	(282)
Finance costs	15,699
REIT Manager's management fees	3,120
Fair value gain on revaluation of investment properties	(112,682)
Operating income before working capital changes	44,850
Changes in working capital:	
Trade and other receivables	(4,418)
Trade and other payables	2,491
Income tax paid	(103)
Net cash generated from operating activities	42,820
Cash flows from investing activities	
Acquisition of subsidiaries	(256,562)
Net cash used in investing activities	(256,562)
Cash flows from financing activities	
Proceeds from issue of Stapled Securities	412,897
Payment of transaction costs related to the issuance of Stapled Securities	(34,177)
Proceeds from borrowings	310,000
Payment of transaction costs related to borrowings	(5,077)
Repayment of borrowings	(420,006)
Finance costs paid	(13,744)
Distribution to holders of Stapled Securities	(15,599)
Movement in restricted cash	(2,474)
Net cash from financing activities	231,820
Net increase in cash and cash equivalents	18,078
Cash and cash equivalents at beginning of the year/period	–
Cash and cash equivalents at end of the year/period[3]	18,078

Notes:

(1) Based on the Offering Price per Stapled Security and assuming the Over-Allotment Option is exercised in full.

(2) The Properties comprising the USHI Portfolio are (i) Sheraton Pasadena, (ii) Holiday Inn Hotel & Suites Anaheim, (iii) Embassy Suites by Hilton Anaheim North, (iv) Holiday Inn Hotel & Suites San Mateo, (v) Four Points by Sheraton San Jose Airport, (vi) The Westin Sacramento, (vii) Embassy Suites by Hilton Palm Desert, (viii) The Queen Mary Long Beach, (ix) Renaissance Denver Stapleton, (x) Holiday Inn Denver East – Stapleton, (xi) Holiday Inn Resort Orlando Suites – Waterpark and (xii) Crowne Plaza Danbury.

(3) Cash and cash equivalents exclude pledged cash amounting to US$17,595,000 and restricted cash amounting to US$2,474,000.

UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION[1] OF THE PRO FORMA GROUP

Initial Portfolio of EH-REIT

	As at the Listing Date US$'000
Non-current assets	
Investment properties	1,274,575
Current assets	
Trade and other receivables	2,367
Cash and cash equivalents	60,794
	63,161
Total assets	1,337,736
Unitholders' funds	
Units in issue	676,953
Unit issue costs	(41,363)
Retained earnings	129,557
Total unitholders' funds	765,147
Non-current liabilities	
Trade and other payables	27,434
Loans and borrowings	500,434
Lease liabilities	6,357
Deferred tax liabilities	34,439
	568,664
Current liabilities	
Trade and other payables	3,907
Lease liabilities	18
	3,925
Total liabilities	572,589
Total unitholders' funds and liabilities	1,337,736
Units in issue ('000)	867,888
Net asset value per Stapled Security (US$)	0.88

Note:

(1) Based on the Offering Price per Stapled Security and assuming the Over-Allotment Option is exercised in full.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read together with the information in the Unaudited Pro Forma Consolidated Financial Information, included elsewhere in this document. Statements contained in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those forecasts. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators, the Joint Bookrunners or any other persons, or that these results will be achieved or are likely to be achieved (see "Forward-Looking Statements" and "Risk Factors" for further details). Recipients of this Prospectus and all prospective investors in the Stapled Securities are cautioned not to place undue reliance on these forward-looking statements.

The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only, and is based on certain assumptions after making certain adjustments to:

(i) reflect the Unaudited Pro Forma Consolidated Statements of Comprehensive Income for FY2016, FY2017 and FY2018 assuming the adjusted offering[1], the acquisition of the USHI Portfolio, except for The Queen Mary Long Beach, and the entry into the relevant Master Lease Agreements had occurred on or were effective on 1 January 2016. The acquisition of The Queen Mary Long Beach and the entry into its Master Lease Agreement are assumed to have occurred on or were effective on 16 April 2016 as the USHI Portfolio Vendor only acquired The Queen Mary Long Beach on 16 April 2016. Arising from the acquisition of only the USHI Portfolio, the assumed level of indebtedness is correspondingly reduced;

(ii) show the Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended 31 December 2018 assuming the adjusted offering, the acquisition of the USHI Portfolio and the entry into the relevant Master Lease Agreements had occurred or were effective on 1 January 2018. Arising from the acquisition of only the USHI Portfolio, the assumed level of indebtedness is corresponding reduced; and

(iii) present the Unaudited Pro Forma Consolidated Statement of Financial Position as at the Listing Date assuming the Offering, the acquisition of the Properties and the entry into the Master Lease Agreements had occurred on or were effective on the Listing Date.

The Unaudited Pro Forma Consolidated Financial Information is not necessarily indicative of the results of the operations or the financial position that would have been attained had the acquisition of the USHI Portfolio or the Properties actually occurred in the relevant periods. The Unaudited Pro Forma Consolidated Financial Information, because of its nature, may not give a true or accurate picture of EH-REIT's actual financial performance or financial position.

The following discussion and analysis of the financial condition and results of operations is based on and should be read in conjunction with the Unaudited Pro Forma Consolidated Financial Information, and related notes thereto, which are included elsewhere in this Prospectus.

(See Appendix B, "Reporting Auditors' Report on the Unaudited Pro Forma Consolidated Financial Information" for further details.)

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1 The adjusted offering refers to an assumed smaller amount of equity proceeds raised with respect to acquiring the USHI Portfolio, as the Unaudited Pro Forma Consolidated Statements of Comprehensive Income and Unaudited Pro Forma Consolidated Statement of Cash Flow assumes the acquisition of only the USHI Portfolio and not the ASAP6 Portfolio.

GENERAL BACKGROUND

EH-REIT is a Singapore-based REIT established pursuant to the EH-REIT Trust Deed. As EH-REIT was only established on 11 April 2019, EH-REIT has no historical operating results and financial information based on which recipients of this Prospectus may evaluate EH-REIT. EH-REIT's first accounting period will be from 11 April 2019, the date of its establishment, to 31 December 2019.

EH-REIT is 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 US.

EH-REIT

As at the Listing Date, the Initial Portfolio will comprise a 100.0% interest in 18 Properties in the United States. As at the Listing Date, the Master Lessee of the Properties will be the wholly-owned subsidiaries of the Sponsor.

Each of the Master Lease Agreements has an initial term of 20 years from the Listing Date with an option exercisable by the relevant Master Lessee to obtain an additional lease for a further 14 years for all Properties located in California and 20 years for all other Properties located elsewhere on the same terms and conditions (save for amendments required due to any change in law). (See "Certain Agreements Relating to EHT, EH-REIT, EH-BT and the Properties – Master Lease Agreements" for further details on the Master Lease Agreements.)

EH-REIT may be unable to appoint a master lessee for any of the Properties in its portfolio at the expiry of the relevant Master Lease Agreement, for example because of a failure to reach commercially favourable terms with the relevant Master Lessee or potential new master lessees. In the event that this happens, in order to ensure the Property's continued operation and revenue generation, EH-REIT will appoint EH-BT as a master lessee for that Property on substantially the same terms as the relevant Master Lease Agreement.

In relation to each Property, the relevant Master Lessee will appoint hotel managers to manage the day-to-day operations and marketing of that Property.

EH-BT

No pro forma financial information of EH-BT has been presented as it was newly established on 11 April 2019 and will be dormant as at the Listing Date.

Accordingly, the Unaudited Pro Forma Consolidated Financial Information comprises financial information of EH-REIT and its subsidiaries solely.

Acquisition of the Properties

Based on the Unaudited Pro Forma Consolidated Statement of Financial Position as at the Listing Date, EH-REIT would purchase the freehold and leasehold interests (as the case may be) in the Properties at an aggregate purchase price of approximately US$1,112 million (based on the Offering Price) based on an independent valuation assuming EH-REIT (through the REIT Trustee and/or its wholly-owned subsidiaries or entities) has entered into the Securities Purchase Agreement on a willing buyer and willing seller basis with the Vendors for the acquisition of the USHI Portfolio and ASAP6 Portfolio, via the purchase of USHIL Holdco and Cayman Corp 2 respectively.

The interests in each of the Properties will not be acquired at more than the higher of the two independent valuations. The purchase price under the Securities Purchase Agreement will be satisfied partly in cash and partly by way of Stapled Securities. EH-REIT will fund the purchase price partly by the issue of approximately US$677 million in Stapled Securities and the balance by borrowings of approximately US$508 million, including the assumption of the existing borrowings under two of the ASAP Mortgage Loans.

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income for FY2016, FY2017 and FY2018 are prepared based on the assumption that EH-REIT acquired only the USHI Portfolio, excluding The Queen Mary Long Beach, at an aggregate purchase price of approximately US$682 million on 1 January 2016. The Queen Mary Long Beach is assumed to have been acquired at a purchase price of approximately US$140 million on 16 April 2016.

(See "Certain Agreements Relating to EHT, EH-REIT, EH-BT and the Properties – Securities Purchase Agreement" and "Use of Proceeds" for further details.)

Revenue and Net Property Income Contribution by Property

Revenue comprises rental income derived from the Properties as set out below.

	FY2016 (US$'000)	FY2017 (US$'000)	FY2018 (US$'000)
Rental income[1]	50,174	50,796	55,774
Recovery of expenses	1,027	4,103	3,731
Revenue	51,201	54,899	59,505

Note:

(1) Includes amortisation of deferred income and straight-lining of rental income.

Based on the Unaudited Pro Forma Consolidated Statements of Comprehensive Income for FY2016, FY2017 and FY2018, the contribution of the Properties to Revenue (excluding the amortisation of deferred income, effect of straight-lining of rental income and recovery of certain property expenses from a master lessee) is as set out below:

	FY2016		FY2017		FY2018	
	(US$'000)	%	(US$'000)	%	(US$'000)	%
Sheraton Pasadena	5,868	12.2%	4,200	8.7%	5,283	9.9%
Holiday Inn Hotel & Suites Anaheim	4,174	8.7%	4,319	9.0%	4,471	8.4%
Embassy Suites by Hilton Anaheim North	3,053	6.4%	2,867	5.9%	3,037	5.7%
Holiday Inn Hotel & Suites San Mateo	3,455	7.2%	3,628	7.5%	3,966	7.4%
Four Points by Sheraton San Jose Airport	3,634	7.6%	3,832	7.9%	4,280	8.0%
The Westin Sacramento	2,026	4.2%	2,185	4.5%	2,256	4.2%
Embassy Suites by Hilton Palm Desert	1,751	3.6%	1,584	3.3%	1,603	3.0%

	FY2016		FY2017		FY2018	
	(US$'000)	%	(US$'000)	%	(US$'000)	%
The Queen Mary Long Beach	8,373	17.5%	11,128	23.1%	11,718	22.0%
Renaissance Denver Stapleton	4,821	10.0%	3,900	8.1%	5,042	9.4%
Holiday Inn Denver East – Stapleton	2,538	5.3%	2,300	4.8%	2,300	4.3%
Holiday Inn Resort Orlando Suites – Waterpark	7,500	15.6%	7,500	15.5%	8,677	16.2%
Crowne Plaza Danbury	823	1.7%	800	1.7%	800	1.5%
Total	**48,016**	**100.0%**	**48,243**	**100.0%**	**53,433**	**100.0%**

Based on the Unaudited Pro Forma Consolidated Statements of Comprehensive Income for FY2016, FY2017 and FY2018, the contribution of the Properties to Net Property Income (excluding the amortisation of deferred income and effect of straight-lining of rental income) is as below:

	FY2016 January 2016 to December 2016		FY2017 January 2017 to December 2017		FY2018 January 2018 to December 2018	
	(US$'000)	%	(US$'000)	%	(US$'000)	%
Sheraton Pasadena	5,213	12.4%	3,858	9.1%	3,436	7.5%
Holiday Inn Hotel & Suites Anaheim	3,726	8.9%	3,824	9.0%	3,869	8.6%
Embassy Suites by Hilton Anaheim North	2,530	6.0%	2,365	5.6%	2,549	5.7%
Holiday Inn Hotel & Suites San Mateo	2,958	7.0%	3,031	7.1%	3,225	7.2%
Four Points by Sheraton San Jose Airport	3,294	7.8%	3,424	8.1%	3,844	8.5%
The Westin Sacramento	1,786	4.2%	1,951	4.5%	2,006	4.5%
Embassy Suites by Hilton Palm Desert	1,537	3.7%	1,359	3.2%	1,335	3.0%
The Queen Mary Long Beach	8,373	19.9%	11,128	26.2%	11,718	26.0%
Renaissance Denver Stapleton	4,280	10.2%	3,414	8.0%	4,270	9.5%
Holiday Inn Denver East – Stapleton	2,178	5.2%	1,944	4.6%	1,871	4.2%
Holiday Inn Resort Orlando Suites – Waterpark	5,677	13.5%	5,813	13.7%	6,408	14.2%
Crowne Plaza Danbury	488	1.2%	363	0.9%	483	1.1%
Total	42,040	100.0%	42,474	100.0%	45,014	100.0%

The HWHI Parties, IHG and Marriott have not reviewed or endorsed any financial information or projections that are made in this Prospectus.

FACTORS AFFECTING EH-REIT'S RESULTS OF OPERATIONS

Revenue of EH-REIT

EH-REIT's revenue comprises rental income under the terms of the Master Lease Agreements, derived from the Fixed Rent and the Variable Rent. The computation of the Fixed Rent and/or Variable Rent will not be subject to any adjustments. The Fixed Rent and Variable Rent of the Properties are set out in the table below:

Name of Hotel	Annual Fixed Rent (US$)	Variable Rent
Sheraton Pasadena	US$4.2 million	22.0% of GOR plus 24.0% of GOP minus Fixed Rent
Holiday Inn & Suites Anaheim	US$3.0 million	26.0% of GOR plus 25.0% of GOP minus Fixed Rent
Embassy Suites by Hilton Anaheim North	US$2.1 million	20.0% of GOR plus 17.0% of GOP minus Fixed Rent
Holiday Inn Hotel & Suites San Mateo	US$3.3 million	28.0% of GOR plus 29.0% of GOP minus Fixed Rent
Four Points by Sheraton San Jose Airport	US$2.8 million	24.0% of GOR plus 24.0% of GOP minus Fixed Rent
The Westin Sacramento	US$1.6 million	23.0% of GOR plus 22.0% of GOP minus Fixed Rent
Embassy Suites by Hilton Palm Desert	US$1.4 million	18.0% of GOR plus 17.0% of GOP minus Fixed Rent
The Queen Mary Long Beach(1)	US$10.4 million/ US$10.608 million	8.0% of GOP
Renaissance Denver Stapleton	US$3.9 million	17.0% of GOR plus 24.0% of GOP minus Fixed Rent
Holiday Inn Denver East – Stapleton	US$2.3 million	20.0% of GOR plus 22.0% of GOP minus Fixed Rent
Sheraton Denver Tech Center Hotel	US$1.8 million	16.0% of GOR plus 18.0% of GOP minus Fixed Rent
Holiday Inn Resort Orlando Suites – Waterpark	US$7.5 million	19.0% of GOR plus 22.0% of GOP minus fixed rent
Crowne Plaza Dallas Near Galleria-Addison	US$2.5 million	18.0% of GOR plus 20.0% of GOP minus Fixed Rent
Hilton Houston Galleria Area	US$2.2 million	22.0% of GOR plus 20.0% of GOP minus Fixed Rent
Renaissance Woodbridge	US$3.4 million	19.0% of GOR plus 19.0% of GOP minus Fixed Rent
Crowne Plaza Danbury	US$0.8 million	10.0% of GOR plus 10.0% of GOP minus Fixed Rent
Doubletree by Hilton Salt Lake City Airport	US$2.6 million	21.0% of GOR plus 22.0% of GOP minus Fixed Rent
Hilton Atlanta Northeast	US$2.4 million	19.0% of GOR plus 20.0% of GOP minus Fixed Rent
Total	**US$58.2 million/ US$58.408 million**	

Note:

(1) For the purpose of the Unaudited Pro Forma Consolidated Statements of Comprehensive Income, Fixed Rent for The Queen Mary Long Beach is assumed to be US$10.4 million per annum in FY2016 with a rental escalation of 2.0% per annum from FY2017 and onwards. The Fixed Rent received from The Queen Mary Long Beach has been pro-rated accordingly for FY2016 assuming the acquisition took place on 16 April 2016.

The Variable Rent formula for all the Properties except The Queen Mary Long Beach, is computed based on the sum of the stated percentage of Gross Operating Revenue and stated percentage of Gross Operating Profit less Fixed Rent, or deemed to be zero if it is a negative figure. The Gross Operating Revenue and Gross Operating Profit for different Hotels vary depending on the individual Hotels' performance and operating margins. For The Queen Mary Long Beach, the Variable Rent formula is 8.0% of Gross Operating Profit, over and above the Fixed Rent, and will not be computed based on Gross Operating Revenue. The Managers will monitor the calculation of the Variable Rent.

(See "Certain Agreements Relating to EHT, EH-REIT, EH-BT and the Properties – Master Lease Agreements" for further details.)

Property Expenses

Property expenses for EH-REIT includes mainly property tax and property insurance for the Properties and ground rent relating only to The Queen Mary Long Beach. For The Queen Mary Long Beach, property tax, property insurance and ground rent are recoverable from the Master Lessee under the Master Lease Agreement in respect of The Queen Mary Long Beach.

Property Taxes

Property taxes for the Properties are assessed on an annual basis and are payable on a semi-annual or annual basis based on the local taxing authority in which the property is located. In most jurisdictions, properties are periodically re-assessed to determine value and the taxes due are generally computed as the product of the assessed value and the current property tax rate. It has been assumed that the basis of assessment for property tax by the tax authorities in each of the jurisdictions, other than California, will remain the same as per the latest year of assessment. In California, when there is a change in ownership of real property, the property must be reassessed at its full cash value as of the date of the change in ownership. Reassessment establishes a new base year value for the property. If the change in ownership occurs between January 1 and June 30, the new base year value is adjusted on the following January 1 by an inflation factor.

Property Insurance

EH-REIT incurs expenses for certain insurance coverage for the hotel building and relevant plant, machinery, equipment and infrastructure including fire, physical damage and malicious intent.

REIT Manager's Management Fee

Pursuant to the EH-REIT Trust Deed, the REIT Manager is entitled to a Management Fee comprising a Base Fee of 10.0% per annum of EH-REIT's distributable income (calculated before accounting for the Base Fee and the Performance Fee) and a Performance Fee of 25.0% per annum of the difference in EHT's DPS in a financial year with EHT's DPS in the preceding financial year (calculated before accounting for the REIT Manager's Performance Fee and the Trustee-Manager's Performance Fee but after accounting for the REIT Manager's Base Fee and the Trustee-Manager's Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year (subject to adjustments in certain cases as set out in Schedule 2 of the EH-REIT Trust Deed).

There should be no double-counting of fees. In the event that both the REIT Manager and the Trustee-Manager are entitled to the Performance Fee, such fees payable to both the REIT Manager and the Trustee-Manager will be apportioned based on the respective proportionate contributions of EH-REIT and EH-BT in the Performance Fee. For the avoidance of doubt, the maximum Performance Fee payable to both the REIT Manager and the Trustee-Manager collectively is 25.0% per annum of the difference in EHT's DPS in a financial year with EHT's DPS in the preceding financial year (calculated before accounting for the REIT Manager's Performance Fee and the Trustee-Manager's Performance Fee but after accounting for the REIT Manager's Base Fee and the Trustee-Manager's Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year (subject to adjustments in certain cases as set out in Schedule 2 of the EH-REIT Trust Deed and the EH-BT Trust Deed).

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income for FY2016, FY2017 and FY2018 are prepared assuming the REIT Manager has received 100.0% of the Base Fee and 100.0% of the Performance Fee in the form of Stapled Securities for FY2016, FY2017 and FY2018. The portion of the Base Fees paid in the form of Stapled Securities is paid quarterly in arrears and the portion of the REIT Performance Fee paid in the form of Stapled Securities is paid annually in arrears. Where management fees are payable in Stapled Securities, the Stapled Securities are assumed to be issued at the Offering Price.

(See "Management and Corporate Governance – Fees Payable to the REIT Manager" for further details.)

REIT Trustee's Fee

Pursuant to the EH-REIT Trust Deed, the REIT Trustee's fee shall not exceed a maximum of 0.1% per annum of the EH-REIT Deposited Property, subject to a minimum fee of S$15,000 per month, excluding out-of-pocket expenses and GST. The REIT Trustee's fee is accrued daily and will be paid monthly in arrears in accordance with the EH-REIT Trust Deed. The REIT Trustee is also paid a one-time inception fee, as may be agreed between the REIT Trustee and the REIT Manager, of up to S$60,000. (See "Management and Corporate Governance – Trustee fee" for further details.)

Trustee-Manager's Fee

For the purposes of the Unaudited Pro forma Consolidated Financial Information, it is assumed that EH-BT is dormant.

Other Trust Expenses

Other trust expenses of EHT include recurring trust expenses such as compliance expenses, annual listing fees, registry and secretarial fees, audit and tax advisory fees, valuation fees, costs associated with the preparation and distribution of reports to the holders of the Stapled Securities, investor communication costs and other miscellaneous expenses.

Finance Income

Finance income consists of interest income earned from security deposits received from the Master Lessees in the form of cash amounting to approximately five months of the Fixed Rent, general working capital and restricted cash placed in financial institutions at a rate of 1.6% per annum.

Finance Costs

Finance costs consist of interest expense on loans and borrowings, amortisation of upfront fees and debt-related transaction costs.

For the purposes of the Unaudited Pro Forma Consolidated Statements of Comprehensive Income, it is assumed that approximately US$310 million and US$60 million will be drawn down from the New Term Loan Facilities and the Unsecured Loan respectively in FY2016, FY2017 and FY2018 to part-finance the acquisition of the USHI Portfolio.

The REIT Manager has assumed the average effective interest rate for FY2016, FY2017 and FY2018 on the New Term Loan Facilities to be approximately 4.2% per annum, including cost of interest rate hedging contracts to fix the interest rate on at least 75% of the amounts outstanding under the New Term Loan Facilities, amortisation of debt-related transaction costs, and upfront interest expenses.

Any upfront fees and debt-related transaction costs incurred in relation to the New Term Loan Facilities are assumed to be amortised over the term of the New Term Loan Facilities and have been included as part of finance costs.

Capital Expenditure

The below-mentioned capital expenditure and repair, maintenance and renewal of FF&E, were incurred on the Properties during the relevant financial year for FY2016, FY2017 and FY2018.

The amounts spent are assumed to have no impact on the Unaudited Pro Forma Consolidated Statements of Comprehensive Income for FY2016, FY2017 and FY2018 and the Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended 31 December 2018 as they are borne by the Sponsor.

Capital Expenditure and FF&E

	FY2016	FY2017	FY2018
Sheraton Pasadena	–	14,082	1,530
Holiday Inn Hotel & Suites Anaheim	108	298	–
Embassy Suites by Hilton Anaheim North	727	2,942	58
Holiday Inn Hotel & Suites San Mateo	2,461	1,457	–
Four Points by Sheraton San Jose Airport	331	–	–
The Westin Sacramento	–	–	–
Embassy Suites by Hilton Palm Desert	1,600	892	22
The Queen Mary Long Beach	–	15,657	7,828
Renaissance Denver Stapleton	–	15,256	1,503
Holiday Inn Denver East – Stapleton	–	9,338	1,539
Holiday Inn Resort Orlando Suites – Waterpark	17,133	2,442	–
Crowne Plaza Danbury	–	117	219
Total	22,360	62,481	12,699

Taxes

Tax expense consists of current tax, withholding tax and deferred tax expenses.

Current tax expense comprises state and local taxes, as well as federal income tax. Corporations, limited liability companies and partnerships may be subject to state and local income taxation in the jurisdictions where the properties are located. The state corporate income tax rates for those jurisdictions currently range between 4.63% and 11.5% of taxable income. Certain states impose minimum taxes and/or franchise taxes regardless of the amount of taxable income in the state. The current federal income tax rate is 21.0%, subject to applicable deductions allowed.

Withholding tax expense relates to withholding taxes on intra-group distributions estimated based on a rate of 30%.

The Managers have assumed no withholding tax to be payable by holders of Stapled Securities on interest paid by US Corp to Cayman Corp 1 under the portfolio interest exemption. This assumes holders of Stapled Securities will comply with certain documentation requirements in order to be exempted from US withholding tax, and that EH-REIT which intends to enter into an agreement with the IRS as a withholding foreign partnership for US federal income tax purposes, will comply with the requirement to withhold tax from distributions to those who fail to provide or to update relevant information as necessary.

On 20 December 2018, the IRS released the 267A Proposed Regulations denying a US payer interest deductions for certain interest payments to related parties pursuant to a hybrid transaction and the Managers do not expect the 267A Proposed Regulations to disallow a deduction for the interest payments made to Cayman Corp 1. It is noted that the 267A Proposed Regulations have not been finalised and although not expected, it is possible that subsequent official interpretations of these regulations or the finalised regulations will alter the above conclusion. (See Appendix F, "Independent Taxation Report – United States Taxation – Taxation of US Corp" and "United States Taxation Report – Taxation of US Corp")

The Managers have also assumed that the interest rate on the loan from Cayman Corp 1 is on an arm's length basis under applicable US transfer pricing regulations, that the deductibility of interest is not otherwise limited, and that the loan will be respected as *bona fide* debt. As such, the interest payments are expected to be fully deductible for US tax purpose.

Cayman Corp 1 will not be subject to an entity level tax in the Cayman Islands since the Cayman Islands does not impose any direct taxes (including income or withholding tax) under existing legislation on its corporate entities.

(See "Taxation" and "Risk Factors" for further details regarding taxes.)

Deferred tax expense in respect of FY2016 arises from deferred tax recognised on the estimated fair value gains on the USHI Portfolio (which is based on the difference between the carrying amount of the USHI Portfolio and the assumed fair values of the properties at the end of FY2016 (taking into consideration the independent valuation obtained from HVS). The fair values of the USHI Portfolio as at the end of FY2016 are assumed to remain unchanged as at the end of FY2017 and FY2018, except to the extent of capital expenditure incurred.

Amount Available for Distribution

The amount available for distribution to Stapled Securityholders is derived by adding back the following main items to the profit after tax of EH-REIT:

(a) Amortisation of deferred income and straight-lining of rental income;

(b) Finance expense arising from remeasuring non-current rental deposits at amortised cost;

(c) 100.0% of the REIT Manager's management fees, which are paid or payable to the REIT Manager in the form of Stapled Securities at the prevailing market price;

(d) REIT Trustee's fees;

(e) Amortisation of debt-related transaction costs;

(f) Fair value changes to the USHI Portfolio; and

(g) Deferred tax expenses.

Comparison of EH-REIT's Performance

FY2017 over FY2016

Revenue

Revenue from all the properties increased by 7.2% or US$3.7 million from US$51.2 million in FY2016 to US$54.9 million in FY2017.

(See "– Analysis of the Performance of the Properties from FY2016 to FY2017 for further details on the factors contributing to the improvement in performance of the Properties.)

Property Expenses

Property expenses increased by 41.0% or US$2.9 million from US$7.0 million in FY2016 to US$9.9 million in FY2017.

Net Property Income

Net Property Income increased by 1.9% or US$0.8 million from US$44.2 million in FY2016 to US$45.0 million in FY2017.

REIT Manager's Management Fees

The REIT Manager's Base Fee amounted to US$2.7 million in FY2017 and was substantially unchanged from FY2016 to FY2017. Arising from an improvement in EH-REIT's DPS in FY2017, a REIT Manager's Performance Fee of US$0.1 million has been assumed in FY2017.

REIT Trustee's Fees

The REIT Trustee's fees amounted to US$0.2 million in FY2017 and remained substantially unchanged from FY2016 to FY2017 as the underlying value of the EH-REIT Deposited Property remained substantially unchanged.

Other Trust Expenses

Other trust expenses amounted to US$1.7 million in FY2017 and remained substantially unchanged from FY2016 to FY2017.

Finance Costs

Finance costs amounted to US$15.7 million in FY2017 and remained substantially unchanged from FY2016 to FY2017.

Profit after Tax

Profit after tax decreased by US$88.7 million to US$24.8 million in FY2017 primarily due to a fair value gain recognised in FY2016.

FY2018 over FY2017

Revenue

Revenue from all the properties increased by 8.4% or US$4.6 million from US$54.9 million in FY2017 to US$59.5 million in FY2018.

(See "Analysis of the Performance of the Properties – Key Drivers for Hotel Room Revenue" for further details on the factors contributing to the improvement in performance of the Properties.)

Property Expenses

Property expenses increased by 23.1% or US$2.3 million from US$9.9 million in FY2017 to US$12.1 million in FY2018. The increase in property expenses was mainly due to the higher property tax assessments in FY2018 for a number of Properties.

Net Property Income

Net Property Income increased by 5.2% or US$2.3 million from US$45.0 million in FY2017 to US$47.3 million in FY2018.

Other Income

Other Income amounted to US$2.4 million in FY2018 due to insurance proceeds of US$0.8 million relating to a fire in Embassy Suites by Hilton Palm Desert and US$1.6 million relating to a hurricane in Holiday Inn Orlando Suites – Waterpark.

REIT Manager's Management Fees

The REIT Manager's Base Fee increased by 17.4% or US$0.5 million from US$2.7 million to US$3.2 million in FY2018. Arising from an improvement in EH-REIT's DPS in FY2018, a REIT Manager's Performance Fee of US$1.0 million has been assumed in FY2018.

REIT Trustees' Fees

The REIT Trustee's fees amounted to US$0.2 million in FY2018 and remained substantially unchanged from FY2017 to FY2018 as the underlying value of the EH-REIT Deposited Property remained substantially unchanged.

Other Trust Expenses

Other trust expenses increased by 15.7% or US$0.3 million from US$1.7 million in FY2017 to US$2.0 million in FY2018.

Finance Costs

Finance costs amounted to US$15.7 million in FY2018 and remained substantially unchanged from FY2017 to FY2018.

Profit after Tax

Profit after tax increased by US$3.1 million to US$27.9 million in FY2018 primarily due to higher net property income in FY2018.

Analysis of the Performance of the Properties

EH-REIT's performance is a function of the performance and operations of the underlying Hotels, which in turn is affected by various factors, including changes in revenue mix and occupancy levels. The performance of the Hotels for FY2016, FY2017 and FY2018 is discussed in detail below.

Gross Operating Revenue and Gross Operating Profit Trends of the Hotels

The Gross Operating Revenue and Gross Operating Profit of the Hotels for FY2016, FY2017 and FY2018 are set out below:

	FY2016		FY2017		FY2018	
	GOR (US$'000)	GOP (US$'000)	GOR (US$'000)	GOP (US$'000)	GOR (US$'000)	GOP (US$'000)
Sheraton Pasadena	18,960	7,070	12,378	2,481	17,712	5,774
Holiday Inn Hotel & Suites Anaheim	11,523	4,711	12,073	4,719	12,398	4,988
Embassy Suites by Hilton Anaheim North	11,936	3,914	11,469	3,375	12,342	3,344
Holiday Inn Hotel & Suites San Mateo	8,868	3,353	9,390	3,442	10,050	3,971
Four Points by Sheraton San Jose Airport	11,099	4,041	11,646	4,321	13,006	4,829
The Westin Sacramento	6,638	2,271	7,065	2,547	7,192	2,735
Embassy Suites by Hilton Palm Desert	7,529	2,330	7,144	1,757	7,368	1,634
The Queen Mary Long Beach	44,066	7,158	57,755	6,503	60,648	11,228
Renaissance Denver Stapleton	21,172	5,093	17,984	3,495	21,518	5,765
Holiday Inn Denver East – Stapleton	9,949	2,492	7,075	575	8,546	1,380
Holiday Inn Resort Orlando Suites – Waterpark	23,834	3,637	28,831	5,435	36,189	8,188
Crowne Plaza Danbury	7,004	1,224	6,180	418	7,236	764
Total	**182,578**	**47,294**	**188,990**	**39,068**	**214,205**	**54,600**

A breakdown of the Gross Operating Revenue and Gross Operating Profit of each Property in FY2016 is set out below:

Hotel	Room Revenue	F&B Revenue	Other and Miscellaneous Revenue	Gross Operating Revenue	Operating Expenses	Gross Operating Profit	Gross Operating Profit Margin
	(US$'000)	(US$'000)	(US$'000)	(US$'000)	(US$'000)	(US$'000)	(%)
Sheraton Pasadena	15,888	2,278	794	18,960	11,890	7,070	37.3%
Holiday Inn Hotel & Suites Anaheim	9,736	1,124	663	11,523	6,812	4,711	40.9%
Embassy Suites by Hilton Anaheim North	10,007	1,453	476	11,936	8,022	3,914	32.8%
Holiday Inn Hotel & Suites San Mateo	8,215	517	136	8,868	5,515	3,353	37.8%
Four Points by Sheraton San Jose Airport	9,592	1,326	181	11,099	7,058	4,041	36.4%
The Westin Sacramento	5,595	0	1,043	6,638	4,367	2,271	34.2%
Embassy Suites by Hilton Palm Desert	6,974	469	86	7,529	5,199	2,330	30.9%
The Queen Mary Long Beach(1)	8,820	14,013	21,233	44,066	36,908	7,158	16.2%
Renaissance Denver Stapleton	13,785	6,860	527	21,172	16,079	5,093	24.1%
Holiday Inn Denver East – Stapleton	8,372	1,511	66	9,949	7,457	2,492	25.0%
Holiday Inn Resort Orlando Suites – Waterpark	13,627	4,494	5,713	23,834	20,197	3,637	15.3%
Crowne Plaza Danbury	5,324	1,640	40	7,004	5,780	1,224	17.5%
Total	**115,935**	**35,685**	**30,958**	**182,578**	**135,284**	**47,294**	**25.9%**

Note:

(1) Figures for The Queen Mary Long Beach are for the period from 16 April 2016 to 31 December 2016.

A breakdown of the Gross Operating Revenue and Gross Operating Profit of each Property in FY2017 is set out below:

Property	Room Revenue	F&B Revenue	Other and Miscellaneous Revenue	Gross Operating Revenue	Operating Expenses	Gross Operating Profit	Gross Operating Profit Margin
	(US$'000)	(US$'000)	(US$'000)	(US$'000)	(US$'000)	(US$'000)	(%)
Sheraton Pasadena	10,247	1,624	507	12,378	9,897	2,481	20.0%
Holiday Inn Hotel & Suites Anaheim	10,005	1,096	972	12,073	7,354	4,719	39.1%
Embassy Suites by Hilton Anaheim North	9,646	1,290	533	11,469	8,094	3,375	29.4%
Holiday Inn Hotel & Suites San Mateo	8,791	519	80	9,390	5,948	3,442	36.7%
Four Points by Sheraton San Jose Airport	9,852	1,546	248	11,646	7,325	4,321	37.1%
The Westin Sacramento	6,036	182	847	7,065	4,518	2,547	36.1%
Embassy Suites by Hilton Palm Desert	6,669	397	78	7,144	5,387	1,757	24.6%
The Queen Mary Long Beach	12,477	17,463	27,815	57,755	51,252	6,503	11.3%
Renaissance Denver Stapleton	10,902	6,646	436	17,984	14,489	3,495	19.4%
Holiday Inn Denver East – Stapleton	5,961	1,092	22	7,075	6,500	575	8.1%
Holiday Inn Resort Orlando Suites – Waterpark	17,604	4,672	6,555	28,831	23,396	5,435	18.9%
Crowne Plaza Danbury	4,775	1,350	55	6,180	5,762	418	6.8%
Total	**112,965**	**37,877**	**38,148**	**188,990**	**149,922**	**39,068**	**20.7%**

A breakdown of the Gross Operating Revenue and Gross Operating Profit of each Property for FY2018 is set out below:

Property	Room Revenue	F&B Revenue	Other and Miscellaneous Revenue	Gross Operating Revenue	Operating Expenses	Gross Operating Profit	Gross Operating Profit Margin
	(US$'000)	(US$'000)	(US$'000)	(US$'000)	(US$'000)	(US$'000)	(%)
Sheraton Pasadena	14,739	1,866	1,107	17,712	11,938	5,774	32.6%
Holiday Inn Hotel & Suites Anaheim	10,493	1,125	780	12,398	7,410	4,988	40.2%
Embassy Suites by Hilton Anaheim North	9,881	1,445	1,016	12,342	8,998	3,344	27.1%
Holiday Inn Hotel & Suites San Mateo	9,352	491	207	10,050	6,079	3,971	39.5%
Four Points by Sheraton San Jose Airport	11,010	1,384	612	13,006	8,177	4,829	37.1%
The Westin Sacramento	6,177	167	848	7,192	4,457	2,735	38.0%
Embassy Suites by Hilton Palm Desert	6,738	451	179	7,368	5,734	1,634	22.2%
The Queen Mary Long Beach	12,739	18,687	29,222	60,648	49,420	11,228	18.5%
Renaissance Denver Stapleton	14,041	7,076	401	21,518	15,753	5,765	26.8%
Holiday Inn Denver East – Stapleton	7,471	1,024	51	8,546	7,166	1,380	16.1%
Holiday Inn Resort Orlando Suites – Waterpark	21,319	5,576	9,294	36,189	28,001	8,188	22.6%
Crowne Plaza Danbury	5,486	1,684	66	7,236	6,472	764	10.6%
Total	**129,446**	**40,976**	**43,783**	**214,205**	**159,605**	**54,600**	**25.5%**

Revenue Mix of the Hotels

The following table sets out the composition of the Gross Operating Revenue of the Properties during FY2016, FY2017 and FY2018:

	FY2016[1]		FY2017		FY2018	
	(US$'000)	%	(US$'000)	%	(US$'000)	%
Room Revenue	115,935	63.5%	112,965	59.8%	129,446	60.5%
F&B Revenue	35,685	19.5%	37,877	20.0%	40,976	19.1%
Other and miscellaneous income	30,958	17.0%	38,148	20.2%	43,783	20.4%
Total	**182,578**	**100.0%**	**188,990**	**100.0%**	**214,205**	**100.0%**

Note:

(1) Figures for The Queen Mary Long Beach are for the period from 16 April 2016 to 31 December 2016.

The major contributor to the Gross Operating Revenue of the Hotels is room revenue, which is based on each Hotel's total available rooms and RevPAR, which is in turn driven by the ADR and the Occupancy Rate.

F&B revenue comprises revenue from the restaurants, lounges and bars, including revenue from banqueting sale, event catering services, room service and room mini-bar sales.

Other and miscellaneous income includes items such as provision of telecommunication services, internet broadband services, laundry services, operation of carparks, spa and health clubs and the usage of business centres as well as rental income received from retail spaces in certain Hotels, commissions from third parties (such as automobile rentals or vending machines) and resort fees.

In relation to The Queen Mary Long Beach, other and miscellaneous income also includes revenue from the various tours, attractions and events held through the year and fee paid by Carnival Cruise Line for each passenger who embarks/disembarks from the ferry terminal.

Key Drivers of Hotel Room Revenue

The ADR of the individual Hotels for FY2016, FY2017 and FY2018 are set out below:

Hotel	**ADR (US$)**		
	FY2016	**FY2017**	**FY2018**
Sheraton Pasadena	162.4	178.5	169.0
Holiday Inn Hotel & Suites Anaheim	118.9	122.6	130.5
Embassy Suites by Hilton Anaheim North	140.7	144.9	149.7
Holiday Inn Hotel & Suites San Mateo	142.8	156.0	153.8
Four Points by Sheraton San Jose Airport	162.0	171.5	184.7
The Westin Sacramento	186.3	199.6	202.9
Embassy Suites by Hilton Palm Desert	136.2	136.5	145.4
The Queen Mary Long Beach	144.1(1)	144.6	144.4
Renaissance Denver Stapleton	121.3	125.2	128.0
Holiday Inn Denver East – Stapleton	103.6	102.7	102.1
Holiday Inn Resort Orlando Suites – Waterpark	117.5	101.6	106.7
Crowne Plaza Danbury	93.2	93.3	95.3
Average	**132.4**	**132.2**	**134.9**

Note:

(1) ADR shown for The Queen Mary Long Beach is for the entire year from 1 January 2016 to 31 December 2016.

The Occupancy Rate of the individual Hotels for FY2016, FY2017 and FY2018 are set out below:

Hotel	Occupancy Rate		
	FY2016	FY2017	FY2018
Sheraton Pasadena	85.9%	50.6%	76.8%
Holiday Inn Hotel & Suites Anaheim	87.7%	87.7%	86.4%
Embassy Suites by Hilton Anaheim North	87.2%	81.8%	81.1%
Holiday Inn Hotel & Suites San Mateo	71.5%	70.5%	76.1%
Four Points by Sheraton San Jose Airport	83.0%	80.7%	83.8%
The Westin Sacramento	81.2%	82.0%	82.6%
Embassy Suites by Hilton Palm Desert	70.7%	67.6%	64.1%
The Queen Mary Long Beach	65.2%(1)	68.3%	69.8%
Renaissance Denver Stapleton	77.6%	59.6%	75.1%
Holiday Inn Denver East – Stapleton	74.1%	53.4%	67.3%
Holiday Inn Resort Orlando Suites – Waterpark	40.8%	61.1%	70.5%
Crowne Plaza Danbury	64.5%	58.0%	65.2%
Average	**68.9%**	**65.6%**	**73.7%**

Note:

(1) Occupancy rate shown for The Queen Mary Long Beach is for the entire year from 1 January 2016 to 31 December 2016.

The RevPAR of the individual Hotels for FY2016, FY2017 and FY2018 are set out below:

Hotel	RevPAR (US$)		
	FY2016	FY2017	FY2018
Sheraton Pasadena	139.6	90.3	129.8
Holiday Inn Hotel & Suites Anaheim	104.3	107.5	112.7
Embassy Suites by Hilton Anaheim North	122.6	118.5	121.4
Holiday Inn Hotel & Suites San Mateo	102.0	109.9	117.0
Four Points by Sheraton San Jose Airport	134.4	138.4	154.7
The Westin Sacramento	151.4	163.7	167.6
Embassy Suites by Hilton Palm Desert	96.2	92.3	93.2
The Queen Mary Long Beach	93.9(1)	98.8	100.7
Renaissance Denver Stapleton	94.2	74.7	96.2
Holiday Inn Denver East – Stapleton	76.8	54.8	68.7
Holiday Inn Resort Orlando Suites – Waterpark	47.9	62.1	75.2
Crowne Plaza Danbury	60.1	54.1	62.1
Average	**91.2**	**86.8**	**99.5**

Note:

(1) RevPAR shown for The Queen Mary Long Beach is for the entire year from 1 January 2016 to 31 December 2016.

General Commentary on the Aggregate Performance of the Hotels

FY2017 over FY2016

The aggregate Gross Operating Revenue of the Hotels increased US$6.4 million or 3.5% from US$182.6 million in FY2016 to US$189.0 million in FY2017, while the aggregate Gross Operating Profit of the Hotels declined US$8.2 million or 17.4% from US$47.3 million in FY2016 to US$39.1 million in FY2017.

Between FY2016 and FY2017, portfolio occupancy rate declined from 68.9% to 65.6% and portfolio ADR was relatively constant at US$132.4 in FY2016 and US$132.2 in FY2017. As a result, RevPAR declined 4.8% from US$91.2 to US$86.8.

FY2018 over FY2017

The aggregate Gross Operating Revenue of the Hotels increased US$25.2 million or 13.3% from US$189.0 million in FY2017 to US$214.2 million in FY2018. The aggregate Gross Operating Profit of the Hotels grew by US$15.5 million or 39.8% from US$39.1 million in FY2017 to US$54.6 million in FY2018.

Between FY2017 and FY2018, portfolio occupancy rate improved markedly from 65.6% to 73.7% and portfolio ADR increased marginally from US$132.2 in FY2017 and US$134.9 in FY2018. As a result, RevPAR grew by 14.6% from US$86.8 to US$99.5.

General Commentary on the Performance of Individual Hotels

Sheraton Pasadena

Sheraton Pasadena underwent a full-scale renovation of guestrooms, lobby, meeting space, and restaurant, commencing in early FY2017 which resulted in a low occupancy rate of 50.6% for FY2017 compared to 85.9% for FY2016. ADR increased to US$178.5, representing an increase of 9.9% between FY2016 and FY2017 as a result of the compression created by the renovation resulting in fewer available rooms. Gross Operating Revenue decreased by US$6.6 million or 34.7% from FY2016 to FY2017, and Gross Operating Profit decreased by US$4.6 million or 64.9%.

With the most disruptive aspects of the full-scale renovation having ended in early FY2018, RevPAR for FY2018 increased to US$129.8. Gross Operating Revenue increased by US$5.3 million or 43.1% in FY2018. Gross Operating Profit improved by US$3.3 million or 132.7% in FY2018 as a result of higher revenue and improved cost efficiencies.

Holiday Inn Hotel & Suites Anaheim

Gross Operating Revenue grew steadily between FY2016 and FY2018 due to strong leisure demand from the hotel's proximity to Disneyland and a growing economy. However, Gross Operating Profit was flat between FY2016 and FY2017 due to the growing minimum wage in Orange County. In FY2018, the hotel experienced strong group bookings, which contributed to ADR growth of 6.4% over FY2017 and RevPAR growth of 4.8% over FY2017. In addition, the property's adjacent location to Disneyland insulated it from new competitive supply in the area. Overall, Gross Operating Revenue increased by US$0.9 million or 7.6% between FY2016 and FY2018 and Gross Operating Profit increased by US$0.3 million or 5.9% over the same period.

Embassy Suites by Hilton Anaheim North

RevPAR declined 3.3% in FY2017 led by a decline in occupancy rate from 87.2% in FY2016 to 81.8% in FY2017. The decline in occupancy rate was due to new hotel openings near Disneyland, many of which directly compete in the same market class as the Embassy Suites by Hilton Anaheim North and are better located relative to the Disneyland resort. As a result, Gross Operating Revenue declined US$0.5 million or 3.9% in FY2017 compared to FY2016. In addition to these openings, rising costs of labour in Orange County directly resulted in higher costs of business and a decline of US$0.5 million or 13.8% in Gross Operating Profit.

In FY2018, the hotel shifted focus towards the higher paying transient segment which grew ADR to US$149.7, exceeding FY2016's ADR of US$140.7. Gross Operating Revenue for FY2018 exceeded that of FY2016 by US$0.4 million or 3.4%. However, the rising minimum wage in Orange County resulted in a reduction in Gross Operating Profit by US$0.6 million or 14.6% for FY2018 compared to FY2016.

Holiday Inn Hotel & Suites San Mateo

Holiday Inn Hotel & Suites San Mateo had a renovation underway throughout FY2016 and FY2017 impacting guestrooms, lobby, and meeting space. As a result of the renovation-driven compression and rebranding exercise of one building to Holiday Inn, ADR grew by 9.2% from FY2016 to FY2017 enabling Gross Operating Revenue and Gross Operating Profit to increase despite ongoing work at the property. In FY2018, the hotel secured a large group airlines contract that contributed to a significant increase in RevPAR of 6.5% over FY2017. Gross Operating Revenue increased by US$0.7 million or 7.0% from FY2017 to FY2018 and Gross Operating Profit increased by US$0.5 million or 15.4% over the same period.

Four Points by Sheraton San Jose Airport

Four Points by Sheraton San Jose Airport experienced strong growth in both Gross Operating Revenue and Gross Operating Profit between FY2016 and FY2018. The hotel continued to benefit from the rebranding from an independent hotel to Four Points by Sheraton, which was completed by early FY2016, along with strong economic fundamentals in the nearby San Francisco Bay Area. In FY2018, the hotel secured a second airline contract. Between FY2016 and FY2018, RevPAR grew 15.1%, Gross Operating Revenue grew US$1.9 million or 17.2% and Gross Operating Profit grew US$0.8 million or 19.5%.

The Westin Sacramento

The performance of Westin Sacramento has been stable which is reflected in the steady growth in both Gross Operating Revenue and Gross Operating Profit since FY2016. While the new Kimpton Sawyer Hotel in downtown Sacramento, which is a competing property, opened towards the end of FY2017, the property was able to maintain its competitiveness with a 2.4% growth in RevPAR for FY2018. In FY2018 compared to FY2016, Gross Operating Revenue grew US$0.6 million or 8.3% while Gross Operating Profit grew at a higher rate of 20.4% or US$0.5 million, in part due to improved cost efficiencies.

Embassy Suites by Hilton Palm Desert

The hotel benefited from a series of highly successful concerts held in the vicinity in FY2016 that supported the entire market, but many of these concerts did not repeat in FY2017. As a result, ADR, occupancy rate and RevPAR was lower in FY2017 which led to a decline in Gross Operating Revenue of US$0.4 million or 5.1% and Gross Operating Profit by US$0.6 million or 24.6%. Two fires occurred in the month of January 2018 which resulted in closure of the hotel in the midst of the peak season which had a material adverse impact in the Gross Operating Revenue in January. The fires were caused by a short circuit in the electrical panel which has since been replaced and

repaired. However, the completion of a renovation programme in early 2018 involving all rooms, public and outdoor spaces and strong group demand in the second half of FY2018 helped offset the revenue loss from the January fires, which enabled a slight growth in Gross Operating Revenue of US$0.2 million or 3.1% and a minimal decrease in Gross Operating Profits of US$0.1 million or 7.0% between FY2017 and FY2018.

The Queen Mary Long Beach

The Queen Mary Long Beach was acquired in April 2016 and the 2016 figures reflect only a partial year. In November 2016 and in conjunction with the City of Long Beach, the property started a large-scale capital improvement plan addressing both structural items at the property as well as repositioning and reopening unused public and revenue-generating spaces, including meeting space, restaurants, and attraction venues. That disruption continued into FY2018, and the performance of the property has gradually improved as the work has completed progressively.

From FY2017 to FY2018 as the property continues to stabilise, Gross Operating Revenue increased by 5.0% from US$57.8 million to US$60.6 million, and Gross Operating Profit increased by 72.7% from US$6.5 million to US$11.2 million. The key drivers of the gains in Gross Operating Revenue between FY2017 and FY2018 are due to (i) increase in F&B revenue by US$1.2 million or 7.0% from the reopening of restaurants post renovations in FY2017 and stronger patronage from increased activities in and around the property, (ii) increase in parking revenues from Carnival Cruise Line of US$1.3 million, which started in mid-FY2018 and (iii) increase in concert revenues of US$0.3 million due to a multi-year contract with Goldenvoice, worth US$1.25 million in FY2018, which was absent in FY2017.

Renaissance Denver Stapleton

Renaissance Denver Stapleton underwent a comprehensive renovation encompassing the entire hotel, which included the 400 guestrooms, meeting space, lobby, public space, and restaurant in May FY2017 and lasted till September FY2018. As a result, the hotel's occupancy rate in FY2017 dropped from 77.6% to 59.6% which led to a 20.7% decline in RevPAR to US$74.7. In FY2017 compared to FY2016, Gross Operating Revenue decreased by US$3.2 million or 15.1% and Gross Operating Profit decreased by US$1.6 million or 31.4%. Following the comprehensive renovation, RevPAR for FY2018 was US$96.2 which was an improvement of 2.1% over that of FY2016. Correspondingly, the property recorded a higher Gross Operating Revenue and Gross Operating Profit in FY2018 of US$21.5 million and US$5.8 million respectively, representing an increase of 19.7% and 64.9% respectively over that of FY2017. Following the completion of the renovation, the hotel received a multi-year airline contract that will start in January 2019 and will continue into FY2020.

Holiday Inn Denver East – Stapleton

Holiday Inn Denver East – Stapleton underwent a comprehensive renovation of all guestrooms, meeting space, lobby, public space, and restaurant in May FY2017 till September FY2018. The peak of the comprehensive renovation took place in FY2017, which saw occupancy rate declining to 53.4% and RevPAR declining by 28.6% to US$54.8. As a result, Gross Operating Revenue correspondingly declined by 28.9% or US$2.9 million and Gross Operating Profit declined by 76.9% or US$1.9 million. In FY2018, the hotel benefitted from the progressive completion of the comprehensive renovation in the second half of the year when the newly completed guestrooms returned. The hotel achieved a RevPAR of US$68.7, registering a 25.4% growth between FY2017 and FY2018. Gross Operating Revenue improved by 20.8% or US$1.5 million and Gross Operating Profit increased by 140.0% or US$0.8 million between FY2017 and FY2018. Following the completion of the renovation, the hotel received a multi-year airline contract that started in September 2018 and will continue into FY2019 and FY2020.

Holiday Inn Resort Orlando Suites – Waterpark

The property underwent a conversion from a Nickelodeon brand to the Holiday Inn Resort Orlando Suites – Waterpark which was completed in mid FY2018, and its Gross Operating Revenue and Gross Operating Profit has increased substantially as the property continues to stabilise. RevPAR increased from US$47.9 in FY2016 to US$75.2 in FY2018, reflecting an increase of 57.0% over 2 years. The property's strong performance was also a function of the growth in other & miscellaneous income, which contributed 25.7% of the hotel's Gross Operating Revenue in FY2018. Other & miscellaneous income increased primarily through the implementation of resort fees, parking fees, rental of retail spaces and reclassification of insurance proceeds. Between FY2016 and FY2018, Gross Operating Revenue grew US$12.4 million or 51.8% and Gross Operating Profit grew US$4.6 million or 125.1% with improved margins, benefitting both from flow through of increased revenue as well as reduced operating costs versus the Nickelodeon brand.

Crowne Plaza Danbury

In FY2016, the hotel benefited from a seven-months, one-off utility company project in the vicinity which contributed to a sizeable amount of room and food revenue for the hotel. In the absence of the project in FY2017, occupancy rate declined from 64.5% to 58.0%, Gross Operating Revenue declined by US$0.8 million or 11.8% and Gross Operating Profit declined by US$0.8 million or 65.8%. In FY2018, the hotel successfully brought in strong group contracts which resulted in a higher RevPAR of US$62.1 million, representing an increase of 14.8% compared to FY2017. Correspondingly, Gross Operating Revenue increased by US$1.1 million or 17.1%, while Gross Operating Profit grew US$0.3 million or 82.8%.

INDEBTEDNESS

EH-REIT

For the purpose of the Unaudited Pro Forma Consolidated Statement of Financial Position as at the Listing Date, EH-REIT and its subsidiaries are expected to have access to indebtedness financing of up to approximately US$508 million comprising: (a) US$341 million of New Term Loan Facilities; (b) approximately US$78 million of ASAP Mortgage Loans; and (c) US$89 million of Unsecured Loan. The gross amount of outstanding indebtedness relating to borrowed money on or about the Listing Date is anticipated to be approximately US$508 million, and EH-REIT will have an Aggregate Leverage of approximately 38.0%.

(See "Capitalisation and Indebtedness" for further details.)

Liquidity and Capital Resources

The REIT Manager will endeavour to maintain a strong balance sheet, employ an appropriate mix of debt and equity in financing acquisitions of properties, secure diversified funding sources to access both financial institutions and capital markets, optimise its cost of debt financing and utilise interest rate and foreign exchange hedging strategies, where appropriate, in order to minimise exposure to market volatility. In the event that EH-REIT incurs any future borrowings, the REIT Manager will periodically review EH-REIT's capital management policy with respect to its Aggregate Leverage and modify its strategy in the light of prevailing market conditions.

Accounting Policies

For a discussion of the principal accounting policies of EH-REIT, EH-BT and EHT, see Appendix C, "Unaudited Pro Forma Consolidated Financial Information" for further details.

EH-BT will not make distributions for the period in which it is dormant. Therefore distributions by EHT, when EH-BT is dormant, will comprise distributions by EH-REIT solely.

Statements contained in the "Profit Forecast and Profit Projection" section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set out in this section of this Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by any of EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators, the Joint Bookrunners or any other person, or that these results will be achieved or are likely to be achieved (see "Forward-looking Statements" and "Risk Factors"). Prospective investors in the Stapled Securities are cautioned not to place any undue reliance on these forward-looking statements that are valid only as at the date of this Prospectus.

None of EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Joint Global Coordinators or the Joint Bookrunners guarantees the performance of EHT, EH-REIT and EH-BT, the repayment of capital or the payment of any distributions, or any particular return on the Stapled Securities.

The following tables show the forecast and projected statements of comprehensive income for Forecast Period 2019 (from 1 May 2019 to 31 December 2019) and Projection Year 2020 (from 1 January 2020 to 31 December 2020) of EH-REIT. The forecast and projected yields stated in the following tables are calculated based on:

- ***the Offering Price;***
- ***the assumption that the Listing Date is 1 May 2019; and***
- ***the forecast and projected statements of comprehensive income for the Forecast Period 2019 and Projection Year 2020 of EH-REIT.***

Such yields will vary accordingly to the extent that the Listing Date is later than 1 May 2019, or for investors who purchase the Stapled Securities in the secondary market at a market price that differs from the Offering Price.

The financial year-end of EH-REIT is 31 December. The Profit Forecast and Profit Projection may be different to the extent that the actual date of issuance of the Stapled Securities is later than 1 May 2019. The Profit Forecast and Profit Projection are based on the assumptions set out in "Profit Forecast and Profit Projection" and have been examined by the Reporting Auditors and should be read together with the report set out in Appendix A, "Reporting Auditors' Report on the Profit Forecast and Profit Projection", as well as the assumptions and the sensitivity analysis set out in this section of the Prospectus.

While a profit forecast has been prepared for Forecast Period 2019, being the period commencing from 1 May 2019 and ending 31 December 2019, it should be noted that due to the seasonal nature of the hospitality business, the financial performance of the Properties may not be comparable and consistent quarter-to-quarter. Hence, comparisons between annualised financial performance of the Properties for Forecast Period 2019 and Projection Year 2020 are unlikely to provide accurate reflections of the expected changes in EH-REIT's financial performance from 2019 to 2020.

Forecast and Projected Statements of Comprehensive Income of EH-REIT

	Forecast Period 2019 (1 May 2019 to 31 December 2019) (US$'000)	Projection Year 2020 (1 January 2020 to 31 December 2020) (US$'000)
Revenue	**63,113**	**95,430**
Property expenses	(12,063)	(14,090)
Net property income	**51,050**	**81,340**
REIT Manager's management fees	(3,723)	(5,758)
REIT Trustee's fee	(182)	(274)
Other trust expenses	(1,890)	(1,928)
Finance income	418	627
Finance costs	(15,407)	(23,067)
Net finance costs	(14,989)	(22,440)
Fair value change on investment properties	163,996	–
Profit before tax	**194,262**	**50,940**
Tax expense	(34,718)	(360)
Profit after tax	**159,544**	**50,580**
Distribution adjustments[1]	(122,315)	6,997
Income available for distribution to holders of Stapled Securities	**37,229**	**57,577**

	Forecast Period 2019 (1 May 2019 to 31 December 2019) (US$'000)	Projection Year 2020 (1 January 2020 to 31 December 2020) (US$'000)
Total number of issued and issuable Stapled Securities at end of period/year ('000)	**872,661**	**880,043**
Distribution per Stapled Security (cents)	4.27	6.54
Offering Price (US$)	0.78	0.78
Distribution yield (%)	**8.2%**[2]	**8.4%**

Notes:

(1) "**Distribution adjustments**" include amortisation of deferred income, straight-lining of rental income, REIT Manager's management fees paid/payable in Stapled Securities, REIT Trustee's fees, amortisation of upfront debt-related transaction costs, finance expense arising from remeasuring non-current rental deposits at amortised cost, adjustments arising from The Queen Mary Long Beach lease, fair value changes on investment properties, deferred tax expense, timing differences relating to property tax and distributions from the drawdown of Interest Reserve Account.

(2) Annualised by extrapolating the Forecast Period 2019 figures for a full financial year.

Revenue and Net Property Income Contribution of Individual Property

Revenue comprises rental income derived from the Initial Portfolio as set out below.

	Forecast Period 2019 (US$'000)	Projection Year 2020 (US$'000)
Rental income[(1)]	60,211	91,171
Recovery of expenses	2,902	4,259
Revenue	**63,113**	**95,430**

Note:

(1) Includes amortisation of deferred income and straight-lining of rental income

The forecast and projected contribution of the Properties to Revenue (excluding the amortisation of deferred income, effect of straight-lining of rental income and recovery of expenses) is as follows:

	Forecast Period 2019		Projection Year 2020	
	(US$'000)	%	(US$'000)	%
Sheraton Pasadena	4,534	7.8%	6,904	7.8%
Holiday Inn Hotel & Suites Anaheim	3,272	5.6%	5,040	5.7%
Embassy Suites by Hilton Anaheim North	2,157	3.7%	3,310	3.7%
Holiday Inn Hotel & Suites San Mateo	3,582	6.1%	5,524	6.2%
Four Points by Sheraton San Jose Airport	3,013	5.2%	4,631	5.2%
The Westin Sacramento	1,656	2.8%	2,485	2.8%
Embassy Suites by Hilton Palm Desert	933	1.6%	2,017	2.3%
The Queen Mary Long Beach	8,475	14.5%	12,449	14.1%
Renaissance Denver Stapleton	4,314	7.4%	6,090	6.9%
Holiday Inn Denver East – Stapleton	2,572	4.4%	3,531	4.0%
Sheraton Denver Tech Center	1,805	3.1%	2,551	2.9%
Holiday Inn Resort Orlando Suites – Waterpark	8,384	14.4%	12,521	14.2%
Crowne Plaza Dallas Near Galleria-Addison	2,291	3.9%	3,935	4.4%
Hilton Houston Galleria Area	2,108	3.6%	3,414	3.9%
Renaissance Woodbridge	3,367	5.8%	5,128	5.8%
Crowne Plaza Danbury	633	1.1%	989	1.1%
Doubletree by Hilton Salt Lake City Airport	2,786	4.8%	4,220	4.8%
Hilton Atlanta Northeast	2,433	4.2%	3,727	4.2%
Total	**58,315**	**100.0%**	**88,466**	**100.0%**

The forecast and projected contribution of the Properties to Net Property Income (excluding the amortisation of deferred income, the effect of straight-lining of rental income and timing differences relating to property tax) is as follows:

	Forecast Period 2019		Projection Year 2020	
	(US$'000)	%	(US$'000)	%
Sheraton Pasadena	4,017	7.8%	6,105	7.8%
Holiday Inn Hotel & Suites Anaheim	2,898	5.6%	4,462	5.7%
Embassy Suites by Hilton Anaheim North	1,838	3.6%	2,817	3.6%
Holiday Inn Hotel & Suites San Mateo	3,088	6.0%	4,761	6.1%
Four Points by Sheraton San Jose Airport	2,708	5.2%	4,160	5.3%
The Westin Sacramento	1,489	2.9%	2,227	2.8%
Embassy Suites by Hilton Palm Desert	743	1.4%	1,723	2.2%
The Queen Mary Long Beach	8,475	16.4%	12,449	15.9%
Renaissance Denver Stapleton	3,768	7.3%	5,246	6.7%
Holiday Inn Denver East – Stapleton	2,299	4.4%	3,110	4.0%
Sheraton Denver Tech Center	1,420	2.7%	1,961	2.5%
Holiday Inn Resort Orlando Suites – Waterpark	7,228	14.0%	10,734	13.7%
Crowne Plaza Dallas Near Galleria-Addison	1,815	3.5%	3,226	4.1%
Hilton Houston Galleria Area	1,770	3.4%	2,889	3.7%
Renaissance Woodbridge	2,966	5.7%	4,514	5.8%
Crowne Plaza Danbury	419	0.8%	660	0.8%
Doubletree by Hilton Salt Lake City Airport	2,530	4.9%	3,826	4.9%
Hilton Atlanta Northeast	2,266	4.4%	3,465	4.4%
Total	**51,736**	**100.0%**	**78,335**	**100.0%**

Disclaimer: The HWHI Parties, IHG and Marriott have not reviewed or endorsed any financial information or projections that are made in this Prospectus.

ASSUMPTIONS

The REIT Manager has prepared the profit forecast of EH-REIT for Forecast Period 2019 and the profit projection for Projection Year 2020 based on the Offering Price and the assumptions listed below. The REIT Manager considers these assumptions to be appropriate and reasonable as at the date of this Prospectus. However, investors should consider these assumptions as well as the profit forecast and profit projection and make their own assessment of the future performance of EH-REIT.

Revenue

Revenue under the terms of the Master Lease Agreements comprises an annual Fixed Rent, which represents the minimum Revenue to be received by EH-REIT, and a Variable Rent computed for the relevant financial period or financial year, as set out in the table below. The computation of the Fixed Rent and/or Variable Rent will not be subject to any adjustments.

The Variable Rent formula for all the Properties except The Queen Mary Long Beach, is computed based on the sum of the stated percentage of Gross Operating Revenue and stated percentage of Gross Operating Profit less Fixed Rent, or deemed to be zero if it is a negative figure. The Gross Operating Revenue and Gross Operating Profit for different Hotels vary depending on the individual Hotels' performance and operating margins.

For The Queen Mary Long Beach, Fixed Rent is US$10.4 million per annum in Forecast Period 2019 with a rental escalation of 2.0% per annum from Projection Year 2020 and onwards. The Variable Rent formula is 8.0% of Gross Operating Profit, over and above the Fixed Rent component.

Name of Hotel	Annual Fixed Rent (US$)	Variable Rent
Sheraton Pasadena	US$4.2 million	22.0% of GOR plus 24.0% of GOP minus Fixed Rent
Holiday Inn & Suites Anaheim	US$3.0 million	26.0% of GOR plus 25.0% of GOP minus Fixed Rent
Embassy Suites by Hilton Anaheim North	US$2.1 million	20.0% of GOR plus 17.0% of GOP minus Fixed Rent
Holiday Inn Hotel & Suites San Mateo	US$3.3 million	28.0% of GOR plus 29.0% of GOP minus Fixed Rent
Four Points by Sheraton San Jose Airport	US$2.8 million	24.0% of GOR plus 24.0% of GOP minus Fixed Rent
The Westin Sacramento	US$1.6 million	23.0% of GOR plus 22.0% of GOP minus Fixed Rent
Embassy Suites by Hilton Palm Desert	US$1.4 million	18.0% of GOR plus 17.0% of GOP minus Fixed Rent
The Queen Mary Long Beach(1)	US$10.4 million/ US$10.608 million	8.0% of GOP
Renaissance Denver Stapleton	US$3.9 million	17.0% of GOR plus 24.0% of GOP minus Fixed Rent
Holiday Inn Denver East – Stapleton	US$2.3 million	20.0% of GOR plus 22.0% of GOP minus Fixed Rent
Sheraton Denver Tech Center Hotel	US$1.8 million	16.0% of GOR plus 18.0% of GOP minus Fixed Rent
Holiday Inn Resort Orlando Suites – Waterpark	US$7.5 million	19.0% of GOR plus 22.0% of GOP minus fixed rent
Crowne Plaza Dallas Near Galleria-Addison	US$2.5 million	18.0% of GOR plus 20.0% of GOP minus Fixed Rent
Hilton Houston Galleria Area	US$2.2 million	22.0% of GOR plus 20.0% of GOP minus Fixed Rent
Renaissance Woodbridge	US$3.4 million	19.0% of GOR plus 19.0% of GOP minus Fixed Rent
Crowne Plaza Danbury	US$0.8 million	10.0% of GOR plus 10.0% of GOP minus Fixed Rent
Doubletree by Hilton Salt Lake City Airport	US$2.6 million	21.0% of GOR plus 22.0% of GOP minus Fixed Rent
Hilton Atlanta Northeast	US$2.4 million	19.0% of GOR plus 20.0% of GOP minus Fixed Rent
Total	**US$58.2 million/ US$58.408 million**	

Note:

(1) Fixed Rent for The Queen Mary Long Beach is US$10.4 million per annum in Forecast Period 2019 with a rental escalation of 2.0% per annum from Projection Year 2020 and onwards.

Gross Operating Revenue and Gross Operating Profit of the Hotels

The forecast and projected Gross Operating Revenue and Gross Operating Profit of each of the Hotels used in computing EH-REIT's rental income under the Master Lease Agreements for Forecast Period 2019 and Projection Year 2020 respectively are as follows:

Forecast Period 2019

(US$'000)	Room Revenue	F&B Revenue	Other and miscellaneous income	Gross Operating Revenue	Operating expenses	Gross Operating Profit	Gross Operating Profit Margin
Sheraton Pasadena	12,504	1,734	601	14,839	(9,551)	5,288	35.6%
Holiday Inn Hotel & Suites Anaheim	7,454	891	615	8,961	(5,190)	3,770	42.1%
Embassy Suites by Hilton Anaheim North	6,954	1,039	547	8,540	(5,899)	2,641	30.9%
Holiday Inn Hotel & Suites San Mateo	7,866	449	169	8,484	(4,325)	4,159	49.0%
Four Points by Sheraton San Jose Airport	7,730	949	404	9,082	(5,610)	3,472	38.2%
The Westin Sacramento	4,492	–	841	5,333	(3,379)	1,954	36.6%
Embassy Suites by Hilton Palm Desert	3,646	281	58	3,985	(3,110)	874	21.9%
The Queen Mary Long Beach	10,551	14,363	33,201	58,115	(38,848)	19,266	33.2%
Renaissance Denver Stapleton	11,638	5,174	553	17,365	(11,692)	5,674	32.7%
Holiday Inn Denver East – Stapleton	8,078	1,042	47	9,166	(5,809)	3,357	36.6%
Sheraton Denver Tech Center	6,307	1,929	137	8,374	(5,791)	2,583	30.8%
Holiday Inn Resort Orlando Suites – Waterpark	16,614	7,335	8,643	32,592	(22,629)	9,963	30.6%
Crowne Plaza Dallas Near Galleria-Addison	6,508	2,883	392	9,782	(7,132)	2,651	27.1%
Hilton Houston Galleria Area	5,722	1,329	216	7,267	(4,720)	2,546	35.0%
Renaissance Woodbridge	8,764	4,270	115	13,149	(8,579)	4,570	34.8%
Crowne Plaza Danbury	4,002	1,321	51	5,373	(4,421)	952	17.7%
Doubletree by Hilton Salt Lake City Airport	7,460	2,111	123	9,693	(6,279)	3,414	35.2%
Hilton Atlanta Northeast	6,765	2,677	170	9,613	(6,579)	3,034	31.6%
Total	**143,052**	**49,778**	**46,883**	**239,713**	**(159,542)**	**80,170**	**33.4%**

	Projection Year 2020						
(US$'000)	Room Revenue	F&B Revenue	Other and miscellaneous income	Gross Operating Revenue	Operating expenses	Gross Operating Profit	Gross Operating Profit Margin
Sheraton Pasadena	18,576	2,723	956	**22,255**	(13,890)	**8,366**	37.6%
Holiday Inn Hotel & Suites Anaheim	11,450	1,342	949	**13,741**	(7,870)	**5,871**	42.7%
Embassy Suites by Hilton Anaheim North	10,629	1,563	790	**12,982**	(8,783)	**4,199**	32.3%
Holiday Inn Hotel & Suites San Mateo	12,136	695	248	**13,078**	(6,659)	**6,420**	49.1%
Four Points by Sheraton San Jose Airport	11,680	1,512	610	**13,802**	(8,307)	**5,494**	39.8%
The Westin Sacramento	6,685	–	1,222	**7,907**	(4,879)	**3,028**	38.3%
Embassy Suites by Hilton Palm Desert	7,716	516	100	**8,332**	(5,619)	**2,713**	32.6%
The Queen Mary Long Beach	15,564	21,096	41,611	**78,271**	(55,260)	**23,011**	29.4%
Renaissance Denver Stapleton	16,507	7,763	809	**25,079**	(17,467)	**7,612**	30.4%
Holiday Inn Denver East – Stapleton	11,252	1,452	62	**12,765**	(8,320)	**4,445**	34.8%
Sheraton Denver Tech Center	9,110	2,711	200	**12,021**	(8,536)	**3,485**	29.0%
Holiday Inn Resort Orlando Suites – Waterpark	26,161	10,303	12,124	**48,589**	(33,638)	**14,951**	30.8%
Crowne Plaza Dallas Near Galleria-Addison	10,936	4,993	526	**16,455**	(11,591)	**4,864**	29.6%
Hilton Houston Galleria Area	9,372	2,062	253	**11,686**	(7,472)	**4,214**	36.1%
Renaissance Woodbridge	13,316	6,728	178	**20,222**	(13,453)	**6,768**	33.5%
Crowne Plaza Danbury	6,309	1,940	83	**8,332**	(6,770)	**1,562**	18.7%
Doubletree by Hilton Salt Lake City Airport	11,234	3,370	180	**14,784**	(9,714)	**5,070**	34.3%
Hilton Atlanta Northeast	10,374	4,149	227	**14,750**	(10,131)	**4,620**	31.3%
Total	**219,006**	**74,917**	**61,128**	**355,051**	**(238,359)**	**116,692**	**32.9%**

Disclaimer: The HWHI Parties, IHG and Marriott have not reviewed or endorsed any financial information or projections that are made in this Prospectus.

The Gross Operating Revenue and Gross Operating Profit of the Hotels are forecasted and projected based on the following assumptions.

Gross Operating Revenue of the Hotels

The Gross Operating Revenue of the Hotels consists of (i) room revenue, (ii) F&B revenue and (iii) other and miscellaneous income.

(i) *Room Revenue*

The forecast and projected room revenue for Forecast Period 2019 and Projection Year 2020 are based on each Hotel's total available rooms and RevPAR, which is in turn driven by the ADR and the Occupancy Rate assumptions.

Forecast and projected ADR and Occupancy Rate are derived after taking into account the historical and current operating performance of each of the Hotels. Other factors considered include the prospects of the respective market's hospitality industry, the expected demand and supply of hotel rooms, the competitive position of competing hotels, major conventions and events that are scheduled to take place in the market, the historical and expected future renovations or refurbishments at the Hotels, the respective location of the Hotels and the materialisation of existing and potential hotel room contracts.

In Forecast Period 2019, certain hotels are expected to have improved occupancy rate post renovations and downtime in which they had experienced in FY2018. These are mainly Sheraton Pasadena, Holiday Inn Hotel & Suites San Mateo, Embassy Suites by Hilton Palm Desert, The Queen Mary Long Beach, Renaissance Denver Stapleton, Holiday Inn Denver East – Stapleton and Holiday Inn Resort Orlando Suites – Waterpark. The renovations of Sheraton Pasadena, Hilton Houston Galleria Area, Doubletree by Hilton Salt Lake City Airport and Renaissance Woodbridge are expected to be completed in mid-May 2019.

RevPAR growth is based on the growth forecasts in each of the markets by the Independent Market Consultant and expected stronger than market performance for some hotels, in part due to the expected ability to raise ADR for the newly renovated or refurbished hotels and rooms or improved revenue management, including Sheraton Pasadena, Holiday Inn Hotel & Suites Anaheim, The Westin Sacramento, The Queen Mary Long Beach, Holiday Inn Denver East – Stapleton, Crowne Plaza Danbury and Doubletree by Hilton Salt Lake City. In addition, certain hotels including Sheraton Pasadena, Holiday Inn Hotel & Suites San Mateo, Renaissance Denver Stapleton, Holiday Inn Denver East – Stapleton, Sheraton Denver Tech Center, Crowne Plaza Dallas Near Galleria-Addison, Hilton Houston Galleria Area and Doubletree by Hilton Salt Lake City Airport are expected to generate increased room revenue from contracts with corporates or government agencies. Room revenue at Holiday Inn Resort Orlando Suites – Waterpark is also expected to improve from potential partnerships with certain brands to improve occupancy rate in the off-peak season.

As a result, the portfolio average RevPAR is expected to grow from US$93.9 in FY2018 to US$107.7 in Forecast Period 2019, attributed to a combination of an expected growth in portfolio average occupancy rate from 73.6% in FY2018 to 78.5% in Forecast Period 2019 and an expected growth in portfolio average ADR from US$127.7 in FY2018 to US$137.3 in Forecast Period 2019.

ADR (in USD)

	Forecast Period 2019	**Projection Year 2020**
Sheraton Pasadena	190.9	197.3
Holiday Inn Hotel & Suites Anaheim	138.8	141.4
Embassy Suites by Hilton Anaheim North	155.7	162.3
Holiday Inn Hotel & Suites San Mateo	174.9	180.9
Four Points by Sheraton San Jose Airport	188.4	192.8
The Westin Sacramento	212.5	214.9
Embassy Suites by Hilton Palm Desert	116.5	153.7
The Queen Mary Long Beach	160.6	162.4
Renaissance Denver Stapleton	144.5	144.8
Holiday Inn Denver East – Stapleton	127.6	132.2

ADR (in USD)

	Forecast Period 2019	Projection Year 2020
Sheraton Denver Tech Center	128.9	132.0
Holiday Inn Resort Orlando Suites – Waterpark	113.7	123.9
Crowne Plaza Dallas Near Galleria-Addison	97.5	112.5
Hilton Houston Galleria Area	103.7	111.0
Renaissance Woodbridge	138.3	144.7
Crowne Plaza Danbury	102.0	109.7
Doubletree by Hilton Salt Lake City Airport	127.3	127.0
Hilton Atlanta Northeast	131.1	136.0
Initial Portfolio	**137.3**	**144.0**

Occupancy Rate

	Forecast Period 2019	Projection Year 2020
Sheraton Pasadena	86.0%	82.9%
Holiday Inn Hotel & Suites Anaheim	85.9%	87.0%
Embassy Suites by Hilton Anaheim North	81.7%	80.5%
Holiday Inn Hotel & Suites San Mateo	83.8%	83.9%
Four Points by Sheraton San Jose Airport	85.9%	85.1%
The Westin Sacramento	85.4%	84.4%
Embassy Suites by Hilton Palm Desert	64.5%	69.5%
The Queen Mary Long Beach	77.5%	75.9%
Renaissance Denver Stapleton	82.2%	78.1%
Holiday Inn Denver East – Stapleton	86.7%	78.2%
Sheraton Denver Tech Center	76.0%	71.7%
Holiday Inn Resort Orlando Suites – Waterpark	76.7%	74.4%
Crowne Plaza Dallas Near Galleria-Addison	63.7%	62.0%
Hilton Houston Galleria Area	77.1%	79.0%
Renaissance Woodbridge	83.2%	80.8%
Crowne Plaza Danbury	65.9%	65.1%
Doubletree by Hilton Salt Lake City Airport	83.0%	83.9%
Hilton Atlanta Northeast	77.7%	76.9%
Initial Portfolio	**78.5%**	**76.8%**

RevPAR (in USD)		
	Forecast Period 2019	**Projection Year 2020**
Sheraton Pasadena	164.1	163.6
Holiday Inn Hotel & Suites Anaheim	119.3	123.0
Embassy Suites by Hilton Anaheim North	127.3	130.6
Holiday Inn Hotel & Suites San Mateo	146.6	151.8
Four Points by Sheraton San Jose Airport	161.8	164.1
The Westin Sacramento	181.5	181.3
Embassy Suites by Hilton Palm Desert	75.1	106.8
The Queen Mary Long Beach	124.5	123.2
Renaissance Denver Stapleton	118.8	113.1
Holiday Inn Denver East – Stapleton	110.6	103.4
Sheraton Denver Tech Center	97.9	94.6
Holiday Inn Resort Orlando Suites – Waterpark	87.3	92.2
Crowne Plaza Dallas Near Galleria-Addison	62.1	69.8
Hilton Houston Galleria Area	80.0	87.7
Renaissance Woodbridge	115.0	117.0
Crowne Plaza Danbury	67.2	71.4
Doubletree by Hilton Salt Lake City Airport	105.7	106.6
Hilton Atlanta Northeast	101.9	104.6
Initial Portfolio	**107.7**	**110.6**

Disclaimer: The HWHI Parties, IHG and Marriott have not reviewed or endorsed any financial information or projections that are made in this Prospectus.

(ii) *F&B Revenue*

F&B revenue comprises revenue from the restaurants, lounges and bars, including revenue from banqueting sale, event catering services, room service and room mini-bar sales. For Forecast Period 2019 and Projection Year 2020, F&B revenue is expected to constitute approximately 20.8% and 21.1% of the aggregate Gross Operating Revenue of the Hotels respectively.

The forecast and projected F&B revenue are estimated based on the historical performance of the F&B sales of the Hotels and taking into account the expected occupancy rates of the Hotels, the competitive position and location of the Hotels, as well as expected bookings for banquets, wedding dinners, corporate meetings and other corporate events.

F&B revenue at The Queen Mary Long Beach is expected to increase following the completion of renovation of banquet and restaurant spaces, and benefitting from expected higher patronage due to the expected increase in number of scheduled events and activities hosted in and around the property. F&B revenue at Holiday Inn Resort Orlando Suites – Waterpark is expected to be higher due to (i) the full year contribution of three F&B venues that commenced operations during FY2018, (ii) the expected opening of a fast-food restaurant on-site in Forecast Period 2019 and (iii) patronage from the Halloween event expected to be launched in Forecast Period 2019.

(iii) *Other and Miscellaneous Income*

Other and miscellaneous income includes items such as provision of telecommunication services, internet broadband services, laundry services, operation of carparks, spa and health clubs and the usage of business centres as well as rental income received from retail spaces in certain Hotels, commissions from third parties (such as automobile rentals or vending machines) and resort fees.

In relation to The Queen Mary Long Beach, other and miscellaneous income also includes revenue from the various tours, attractions and events held through the year and fee paid by Carnival Cruise Line for each passenger who embarks/disembarks from the ferry terminal.

In Forecast Period 2019, The Queen Mary Long Beach is expected to generate higher other and miscellaneous income arising from (i) an expected increase in number of scheduled events and activities hosted in and around the property, (ii) additional parking fees collected from an expected higher number of visitors to the property and higher usage of the parking lots by passengers of Carnival Cruise Line, (iii) deeper collaboration with Goldenvoice to host more concerts and events and (iv) the installation of a Ferris Wheel on the property expected in Forecast Period 2019. A Halloween event is expected be launched in Forecast Period 2019 at Holiday Inn Resort Orlando Suites – Waterpark, contributing to the hotel's other and miscellaneous income.

For Forecast Period 2019 and Projection Year 2020, other and miscellaneous income for all Hotels except The Queen Mary Long Beach is expected to respectively constitute approximately 5.7% and 5.5% of the aggregate Gross Operating Revenue of all the Hotels. For The Queen Mary Long Beach, the corresponding figures are 13.9% and 11.7%.

Operating expenses of the Hotels

The operating expenses of the Hotels include (i) room expenses, (ii) F&B expenses, (iii) other operating expenses and (iv) utilities.

(i) *Room Expenses*

Room expenses relate to the direct costs incurred in the provision of room services, include expenses for room related supplies and consumables commission, reservation and guest services related expenses, as well as labour applicable to the Room department.

For Forecast Period 2019 and the Projection Year 2020, room expenses are forecast and projected to be approximately 29.6% and 29.0% of the aggregate Room Revenue of the Hotels respectively.

(ii) *F&B Expenses*

F&B Expenses relate to the direct cost of F&B services, including cost of goods sold, supplies such as kitchenware, and decoration and entertainment expenses at F&B outlets, as well as labour applicable to the F&B department. F&B expenses are forecast and projected to vary in proportion to the F&B revenue for the respective year.

For Forecast Period 2019 and the Projection Year 2020, F&B expenses are forecast and projected to be approximately 73.5% and 74.0% of the aggregate F&B Revenue of the Hotels respectively.

(iii) *Other Operating Expenses*

Other operating expenses include other labour expenses as well as costs that are unallocated at the departmental level including administrative and general expenses, information and telecommunication systems expense, sales and marketing expenses, property operations and maintenance expenses.

Administrative and general expenses include labour costs not attributable to a specific department, licenses and permits, operating supplies, professional fees, credit card commissions, security services and other administrative and general expenses.

Information and telecommunication systems expense includes expenses such as the cost of providing services (cell phones, internet, guest phone calls, etc.) system expenses (software licenses, hosting storage fees, etc.), labour, and other costs incurred in the operation and maintenance of IT systems.

Sales and marketing expenses relate to costs incurred in marketing, advertising and promoting the Hotels as well as commission to third parties. Included within the sales and marketing expenses are franchisor-mandated fees, the core components of which typically range from 6% to 9% of Room Revenue, with reduced fees also applying to F&B revenues in certain contracts.

Property operations and maintenance expenses relate to costs incurred for the upkeep of the Hotels, including the cost of materials, supplies and contracts related to the general repair and maintenance of the Hotels.

It has been assumed that other operating expenses are based on historical amounts incurred and expected increases.

(iv) *Utilities*

Utilities include costs of electricity, gas, water/sewer, and other utilities purchased from outside vendors. For Forecast Period 2019 and the Projection Year 2020, it has been assumed that utilities costs are based on historical rates, expected rate increments and expected utilisation.

Property Expenses

Property expenses for EH-REIT includes mainly property tax and property insurance for the Initial Portfolio and ground rent relating only to The Queen Mary Long Beach. In respect of The Queen Mary Long Beach, property tax, property insurance and ground rent are recoverable from the Master Lessee under the Master Lease Agreement.

Property Tax

Property taxes for the Properties are assessed on an annual basis and are payable on a semi-annual or annual basis based on the local taxing authority in which the property is located. In most jurisdictions, properties are periodically re-assessed to determine value and the taxes due are generally computed as the product of the assessed value and the current property tax rate. It has been assumed that the basis of assessment for property tax by the tax authorities in each of the jurisdictions, other than California, will remain the same as per the latest year of assessment. In California, when there is a change in ownership of real property, the property must be reassessed at its full cash value as of the date of the change in ownership. Reassessment establishes a new base year value for the property. If the change in ownership occurs between 1 January and 30 June, the new base year value is adjusted on the following 1 January by an inflation factor.

Property Insurance

EH-REIT incurs expenses for certain insurance coverage for the hotel building and relevant plant, machinery, equipment and infrastructure, including fire, physical damage and malicious intent. Insurance expenses are estimated based on broker quotes received or historical amounts incurred, adjusted for expected increase.

REIT Manager's management fees

Pursuant to EH-REIT's Trust Deed, the REIT Manager is entitled to a Base Fee of 10.0% per annum of EH-REIT's distributable income (calculated before accounting for the Base Fee and the Performance Fee) and a Performance Fee of 25.0% per annum of the difference in EHT's DPS in a financial year with EHT's DPS in the preceding financial year (calculated before accounting for the REIT Manager's Performance Fee and the Trustee-Manager's Performance Fee but after accounting for the REIT Manager's Base Fee and the Trustee-Manager's Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year (subject to adjustments in certain cases as set out in Schedule 2 of the EH-REIT Trust Deed).

There should be no double-counting of fees. In the event that both the REIT Manager and the Trustee-Manager are entitled to the Performance Fee, such fees payable to both the REIT Manager and Trustee-Manager will be apportioned based on the respective proportionate contribution of EH-REIT and EH-BT in the Performance Fee. For the avoidance of doubt, the maximum Performance Fee payable to both the REIT Manager and Trustee-Manager collectively is 25.0% per annum of the difference in EHT's DPS in a financial year with EHT's DPS in the preceding financial year (calculated before accounting for the REIT Manager's Performance Fee and the Trustee-Manager's Performance Fee but after accounting for the REIT Manager's Base Fee and the Trustee-Manager's Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year (subject to adjustments in certain cases as set out in Schedule 2 of the EH-REIT Trust Deed and the EH-BT Trust Deed).

The Performance Fee is payable if DPS in any financial year exceeds the DPS in the preceding financial year, notwithstanding that the DPS in such financial year where the Performance Fee is payable may be less than the DPS in the financial year prior to the preceding financial year.

The Performance Fee for each of Forecast Period 2019 and Projection Year 2020 shall be the difference in actual DPS in such financial period or financial year with the projected DPS, as set out in the Profit Forecast and Profit Projection. As such, no Performance Fee has been presently assumed in the Profit Forecast and Profit Projection.

The REIT Manager has elected to receive 100.0% of the Base Fee and 100.0% of the Performance Fee in the form of Stapled Securities for the period from the Listing Date to the end of Projection Year 2020. The portion of Base Fee payable in the form of Stapled Securities shall be payable quarterly in arrears and the portion of the Performance Fee payable in the form of Stapled Securities shall be payable annually in arrears. Where the management fees are payable in Stapled Securities for the Forecast Period 2019 and Projection Year 2020, the REIT Manager has assumed that such Stapled Securities are issued at the Offering Price.

(See "Management and Corporate Governance – Fees Payable to the REIT Manager" for details of the fees payable to the REIT Manager, which include other fees such as the acquisition fee and divestment fee.)

REIT Trustee's fee

Pursuant to the EH-REIT Trust Deed, the REIT Trustee's fee shall not exceed a maximum of 0.1% per annum of the EH-REIT Deposited Property, subject to a minimum of S$15,000 per month, excluding out-of-pocket expenses and GST. The REIT Trustee's fee is accrued daily and will be paid monthly in arrears in accordance with the EH-REIT Trust Deed. The REIT Trustee will also be paid a one-time inception fee, as may be agreed between the REIT Trustee and the REIT Manager, of up to S$60,000.

The actual fee payable will be determined between the REIT Manager and the REIT Trustee from time to time.

(See "The Formation and Structure of EHT, EH-REIT and EH-BT – Formation and Structure of EH-REIT – Remuneration of the REIT Trustee" for further details.)

(See "Management and Corporate Governance – Fees Payable to the Trustee-Manager" for details of the fees payable to the Trustee-Manager, which include other fees such as the acquisition fee and divestment fee.)

Other Trust Expenses

Other expenses of EHT include recurring trust expenses such as compliance expenses, annual listing fees, registry and secretarial fees, audit and tax advisory fees, valuation fees, costs associated with the preparation and distribution of reports to the holders of the Stapled Securities, investor communication costs and other miscellaneous expenses.

Finance Income

Finance income consists of interest income earned from security deposits received from the Master Lessees in the form of cash amounting to approximately five months of the Fixed Rent, general working capital and restricted cash placed in financial institutions at a rate of 1.6% per annum.

Finance Costs

Finance costs consist of interest expense on loans and borrowings, upfront fees, and amortisation of debt-related transaction costs.

EH-REIT has put in place the New Term Loan Facilities.

The New Term Loan Facilities comprise term loan facilities with loan maturities of three, four and five years from the Facilities Lenders, amounting to an aggregate of US$341 million. Together with the ASAP Mortgage Loans of approximately US$78 million and the Unsecured Loan of US$89 million, the total amount of borrowings at the Listing Date would be approximately US$508 million. The REIT Manager has assumed the average all-in effective interest rate for Forecast Period 2019 and Projection Year 2020 on the New Term Loan Facilities, the ASAP Mortgage Loans and the Unsecured Loan to be approximately 4.4% per annum, including cost of interest rate hedging contracts to fix the interest rate on at least 75% of EH-REIT's total amounts outstanding under the New Term Loan Facilities and ASAP Mortgage Loans and amortisation of debt-related transaction costs and upfront fees.

Any upfront fees and debt-related transaction costs incurred in relation to the New Term Loan Facilities and ASAP Mortgage Loans are assumed to be amortised over the term of the New Term Loan Facilities and ASAP Mortgage Loans and have been included as part of finance costs.

For the Forecast Period 2019 and Projection Year 2020, the monthly principal amortisation of the ASAP Mortgage Loans of approximately US$0.1 million is assumed to be repaid from general and working capital.

Capital Expenditure – Major Capital Improvements, Capital Improvements and FF&E

The REIT Manager has worked with the Master Lessees to determine certain periodic capital expenditure and repair, maintenance and renewal of FF&E to be incurred for the Forecast Period 2019 and Projection Year 2020. Such amounts are expected to be funded from the CIF Reserve contributed by the Master Lessees.

The following table sets out the forecast and projected capital expenditure and repair, maintenance and renewal of FF&E:

	Forecast Period 2019 (US$ million)	**Projection Year 2020 (US$ million)**
Capital expenditure and repair, maintenance and renewal of FF&E	5.0	11.5

In addition, the Hotels listed in the table below have been identified by the REIT Manager to undergo specific renovation or refurbishment programme which may comprise major capital improvements, capital improvements and/or repair, maintenance and renewal of FF&E. Such amounts will be funded by monies set aside from part of the purchase consideration for the respective Properties or the CIF Reserve. This will have no impact on profit or loss or interest expense of EH-REIT.

The following table sets out the forecast and projected specific renovation or refurbishment programme for Forecast Period 2019 and Projection Year 2020 respectively.

Specific Renovation or Refurbishment Programme

	Forecast Period 2019 (US$ million)	**Projection Year 2020 (US$ million)**
Holiday Inn Hotel & Suites San Mateo	1.0	2.4
Sheraton Denver Tech Center[(1)]	0.1	0.9
Holiday Inn Resort Orlando Suites – Waterpark	0.2	–
Hilton Houston Galleria Area	1.5	–
Doubletree by Hilton Salt Lake City Airport	0.5	–
Total	**3.3**	**3.3**

Note:

(1) An additional amount of US$1.5 million is expected to be incurred in 2021, which will be set aside from part of the purchase consideration.

Taxes

Tax expense consists of current tax, withholding tax and deferred tax expenses.

Current tax expense comprises of state and local taxes as well as federal income tax. Corporations, limited liability companies and partnerships may be subject to state and local income taxation in the jurisdictions where the properties are located. The state corporate income tax rates for those jurisdictions currently range between 4.63% and 11.5% of taxable income. Certain states impose minimum taxes and/or franchise taxes regardless of the amount of taxable income in the state. The current federal income tax rate is 21.0%, subject to applicable deductions allowed.

Withholding tax expense relates to withholding taxes on intra-group distributions estimated based on a rate of 30%.

The Managers have assumed no withholding tax to be payable by holders of stapled securities on interest paid by US Corp to Cayman Corp 1 under the portfolio interest exemption. This assumes holders of stapled securities will comply with certain documentation requirements in order to be exempted from US withholding tax, and that EH-REIT which intends to enter into an agreement with the IRS as a withholding foreign partnership for US federal income tax purposes, will comply with the requirement to withhold tax from distributions to those who fail to provide or to update relevant information as necessary.

On 20 December 2018, the IRS released the 267A Proposed Regulations denying a US payor interest deductions for certain interest payments to related parties pursuant to a hybrid transaction and the Managers do not expect the 267A Proposed Regulations to disallow a deduction for the interest payments made to Cayman Corp 1. It is noted that the 267A Proposed Regulations have not been finalised and although not expected, it is possible that subsequent interpretations of these regulations or the finalised regulations will alter the above conclusion. (See Appendix F, "Independent Taxation Report – United States Taxation – Taxation of US Corp" and "United States Taxation Report – Taxation of US Corp").

The Managers has assumed that the interest rate on the loan from Cayman Corp 1 is on an arm's length basis under applicable US transfer pricing regulations, that the deductibility of interest is not otherwise limited, and that the loan will be respected as *bona fide* debt. As such, the interest payments are expected to be fully deductible for US tax purpose.

Cayman Corp 1 will not be subject to an entity level tax in the Cayman Islands since the Cayman Islands does not impose any direct taxes (including income or withholding tax) under existing legislation on its corporate entities.

(See "Taxation" and "Risk Factors" for further details regarding taxes.)

Deferred tax expense in respect of Forecast Period 2019 arises from deferred tax recognised on the estimated fair value gains on the Initial Portfolio (which is based on the difference between the carrying amount of the Initial Portfolio and the adopted fair values of the Initial Portfolio as at the Listing Date of US$1,268.2 million.

Initial Portfolio

The aggregate adopted valuation[1] of the Properties as at Listing Date was US$1,268.2 million, based on the independent valuation by HVS.

Foreign exchange rate

The REIT Manager has assumed the following average exchange rates for Forecast Period 2019 and Projection Year 2020.

	As at 1 May 2019	Forecast Period 2019	Projection Year 2020
USD/SGD	1.36	1.36	1.36

Accounting standards

EHT has adopted International Financial Reporting Standards.

The REIT Manager has assumed that there will be no change in applicable accounting standards or other financial reporting requirements that may have a material effect on the Profit Forecast and Project Projection. Significant accounting policies adopted by the REIT Manager in the preparation of the Profit Forecast and Profit Projection are set out in "Appendix C – Unaudited Pro Forma Consolidated Financial Information".

Other Assumptions

The REIT Manager has made the following additional assumptions in preparing the profit forecast for Forecast Period 2019 and the profit projection for Projection Year 2020:

(i) the renovation planned for certain Hotels are completed as scheduled and there is no delay in the completion of such renovation;

(ii) the Initial Portfolio remains unchanged throughout the periods;

(iii) no further capital will be raised during the periods;

(iv) there will be no change in the applicable tax legislation, other applicable legislation or regulatory or judicial interpretation of the same for Forecast Period 2019 and Projection Year 2020. (See "Risk Factors – Risks relating to an investment in the Stapled Securities – Changes in taxation legislation, administrative guidance, practice, regulations, any disagreement as to the interpretation thereof, and/or any tax ruling ceasing to apply, may adversely affect EHT, its subsidiaries, Stapled Securityholders and/or the Managers (and its owners) for further details.);

(v) the New Term Loan Facilities, ASAP Mortgage Loans and Unsecured Loan are available during the periods at the assumed effective interest rate;

(vi) all of the Master Lease Agreements are enforceable and will be performed in accordance with their terms;

(vii) there will be no pre-termination of any Master Lease Agreement;

(viii) 100.0% of the EH-REIT's distributable income will be distributed;

1 Based on the Adopted Value of the Properties, which is the independent valuation by HVS (as at 31 December 2018).

(ix) there will be no change in the fair values of the Initial Portfolio during Forecast Period 2019 and Projection Year 2020; and

(x) where derivative financial instruments are undertaken to hedge against interest rate movements, there is no change in the fair value of such instruments throughout the periods.

SENSITIVITY ANALYSIS

The forecast and projected distributions included in this Prospectus are based on a number of assumptions that have been outlined above. The forecast and projected distributions are also subject to a number of risks as outlined in "Risk Factors".

Investors should be aware that future events cannot be predicted with any certainty and deviations from the figures forecast or projected in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the profit forecasts and profit projections, a series of tables demonstrating the sensitivity of the distribution per Stapled Security to changes in the principal assumptions are set out below.

The sensitivity analysis is intended to provide a guide only and variations in actual performance could exceed the ranges shown. Movement in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

Revenue

Changes in Revenue will impact the Net Property Income of EH-REIT and, consequently, the distribution yield. The assumptions for Revenue have been set out earlier in this section.

The effect of variations in the Revenue on the distribution yield is set out below:

Based on Offering Price	Forecast Period 2019 (%)	Projection Year 2020 (%)
5.0% above base case	8.8%	9.0%
Base Case	8.2%	8.4%
5.0% below base case	7.6%	7.8%

Property Expenses

Changes in Property Expenses will impact the Net Property Income of EH-REIT and, consequently, the distribution yield. The assumptions for Property Expenses have been set out earlier in this section.

The effect of variations in the Property Expenses on the distribution yield is set out below:

Based on Offering Price	Forecast Period 2019 (%)	Projection Year 2020 (%)
5.0% above base case	8.1%	8.3%
Base Case	8.2%	8.4%
5.0% below base case	8.3%	8.5%

Finance Costs

Changes in finance costs will impact the net income of EH-REIT and, consequently, distribution yield. The assumptions for finance costs have been set out earlier in this section.

The effect of variations in the finance costs on the distribution yield is set out below:

Based on Offering Price	Forecast Period 2019 (%)	Projection Year 2020 (%)
50 basis points above base case	7.9%	8.1%
Base Case	8.2%	8.4%
50 basis points below base case	8.5%	8.7%

REIT Manager's Management Fees Payable in Stapled Securities

Changes in the proportion REIT Manager's management fees payable in Stapled Securities will impact the distribution yield of EH-REIT. The assumptions for proportion of REIT Manager's management fees payable in Stapled Securities have been set out earlier in this section.

The effect of variations in the proportion of REIT Manager's management fees payable in Stapled Securities on the distribution yield is set out below:

Based on Offering Price	Forecast Period 2019 (%)	Projection Year 2020 (%)
Base Case (100% of REIT Manager's management fees payable in Stapled Securities)	8.2%	8.4%
50% of REIT Manager's management fees payable in Stapled Securities	7.8%	8.0%
0% of REIT Manager's management fees payable in Stapled Securities	7.4%	7.7%

Foreign Exchange Rate

EH-REIT receives all of its income from the Properties in US dollars. Distributions will be declared in US dollars. Each holder of Stapled Securities will receive his distribution in Singapore dollars equivalent of the US dollar distribution declared, unless he elects to receive the relevant distribution in US dollars by submitting a "Distribution Election Notice" by the relevant cut-off date.

The effect of variations in the foreign exchange rate on the distribution yield for holders of Stapled Securities who will receive their distribution in Singapore Dollars is set out below.

Based on Offering Price	Forecast Period 2019 (%)	Projection Year 2020 (%)
5.0% depreciation of SGD	8.6%	8.8%
Base Case	8.2%	8.4%
5.0% appreciation of SGD	7.8%	8.0%

STRATEGY

INVESTMENT POLICY

EH-REIT is a Singapore-based REIT and EH-BT is a Singapore-based business trust. EHT is regulated by the Deeds as well as any legislation and regulations governing EHT, EH-REIT and EH-BT.

EH-REIT is 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 US. EH-REIT is principally regulated by the SFA, the CIS Code, including the Property Funds Appendix, other relevant regulations as well as the Stapling Deed and the EH-REIT Trust Deed.

In accordance with the requirements of the Listing Manual, this principal investment policy will be adhered to for at least three years following the Listing Date unless changed by Extraordinary Resolution passed by the holders of Stapled Securities. After the expiry of the three-year period, the REIT Manager may from time to time change the principal investment policy of EH-REIT so long as the REIT Manager has given not less than 30 days' prior notice of the change.

OBJECTIVES

The initial portfolio of EHT will, on the Listing Date, comprise freehold and leasehold interests in 18 hotels located in the U.S. held through EH-REIT. The Managers' principal objectives are to deliver stable and growing distributions to Stapled Securityholders and to achieve long-term growth in DPS and in the NAV per Stapled Security, while maintaining an appropriate capital structure.

KEY STRATEGIES

EH-REIT's Strategy

The REIT Manager plans to achieve its objectives through the following key strategies:

- **Proactive asset management and asset enhancement strategy –** The REIT Manager will work with the Master Lessees and Hotel Managers to implement pro-active measures to enhance the properties of EHT and to improve their operational performance, so as to optimise the cash flow and value of the Properties. Through such active management, the REIT Manager seeks to improve overall occupancy rates and average RevPAR, as well as to create a better lodging experience for its clientele.

- **Investments and acquisition growth strategy –** The REIT Manager will source suitable asset acquisition opportunities, which will provide attractive cash flows and yields, satisfying the REIT Manager's investment mandate for EHT to enhance the returns to Stapled Securityholders and to capture opportunities for future income and capital growth.

- **Capital management strategy –** The REIT Manager will endeavour to employ an appropriate combination of debt and equity to fund acquisitions and asset enhancements, and adopt a prudent approach to capital management to optimise risk-adjusted returns to Stapled Securityholders.

EH-BT's Strategy

As at the Listing Date, EH-BT will be dormant. It will, however, become active if any of the following occurs:

- it is appointed by EH-REIT, in the absence of any other master lessee(s) being appointed, as a Master Lessee of one of the Properties. EH-BT exists primarily as "a master lessee of last resort";

- EH-REIT acquires hotels in the future, and, if there are no other suitable master lessees, EH-REIT will lease these acquired hotels to EH-BT. EH-BT will then become a master lessee for that hotel and will appoint a Hotel Manager to manage that hotel, where such hotel management fees will be borne by the EH-BT (as master lessee); or

- it undertakes certain hospitality and hospitality-related development projects, acquisitions and investments which may not be suitable for EH-REIT.

EH-BT will generally be considered to be active in the event that it carries on any business activity other than:

- activities which EH-BT is required to carry out under any applicable law, regulation, rule or directive of any agency, regulatory or supervisory body;

- the lending or use of the initial working capital raised from the Offering; and

- equity fund-raising activities and issue of EH-BT Units carried out in conjunction with EH-REIT which are solely for the purposes of funding EH-REIT's business activities.

When EH-BT becomes active, the Trustee-Manager intends, where appropriate, to manage the exposure arising from adverse market movements in interest rates through appropriate hedging strategies. Upon EH-BT becoming active, appropriate internal controls would be put in place.

EH-REIT will not guarantee any debt of EH-BT, and *vice versa.* This will help to shield each entity from the other's financial obligations because each entity's creditors will not have recourse to the other.

Proactive asset management and asset enhancement strategy

The REIT Manager will work with the Master Lessees and Hotel Managers to implement pro-active measures to enhance the Properties and to improve their operational performance in order to optimise the cash flow and value of the Properties, as well as to leverage upon its strategic relationship with the Sponsor, which has extensive experience in the hospitality and real estate industries. Through such active management, the REIT Manager seeks to enhance the efficiency of the Properties to improve occupancy rates and average RevPAR, as well as to create a better lodging experience for its customers. The REIT Manager will conduct refurbishment programmes on selected Properties which will be aimed at maintaining and improving the image and attractiveness of the Properties to increase patronage, and potentially, the Properties' RevPAR.

Measures that the REIT Manager may implement to meet its objectives include, but are not limited to:

- ***Continuous portfolio optimisation***

  The REIT Manager intends to hold assets on a long-term basis, but with a pro-active approach towards optimising the yield and value of EH-REIT's portfolio. This includes identifying assets for divestment within the portfolio which have reached their optimal maturity for sale and recycling capital from the sale proceeds towards higher yielding growth opportunities.

- ***Effective collaboration with the Master Lessees***

  The hotel management agreements between the Master Lessees and the Hotel Managers enable the Master Lessees to closely monitor the performance of the Hotel Managers. The REIT Manager will work closely with the Master Lessees to ensure that each of the Hotel Managers uses its best efforts to optimise the performance of each Property. The Master Lessees, in consultation with the REIT Manager, will oversee the annual budgeting process for the Properties and will be responsible for devising strategies to improve the Properties' revenue and performance against competitors in similar market segments. This will include drawing upon the Sponsor's extensive industry experience to provide strategic direction in areas such as room yield management, optimising guest mix, developing marketing programmes, accessing global hospitality market intelligence, and leveraging upon the Sponsor's in-depth understanding of the latest hospitality industry trends to implement innovative hotel and F&B concepts.

  In addition, the REIT Manager will work actively with the Master Lessees to create opportunities to enhance the Properties, such as by engaging the Master Lessees on discussions relating to renovation and refurbishment exercises designed to enhance guest experience and improve the overall market share, cash flow, and returns on invested capital of the Properties. It is intended that this close interaction and consultation between the REIT Manager and the Master Lessees, and in turn between the Master Lessees and the Hotel Managers, will ensure that the REIT Manager's asset management strategies are implemented.

- ***Refurbishments currently undertaken or being planned***

  The REIT Manager and the Hotel Managers intend to conduct refurbishment programs on selected Properties in phases in order to ensure income stability. The refurbishments will be aimed at maintaining and improving the image and attractiveness of the Properties to increase patronage.

Investments and acquisition growth strategy

The REIT Manager intends to meet its objectives of enhancing the returns to Stapled Securityholders and capturing potential opportunities for future income and capital growth by carefully evaluating acquisition opportunities in accordance with the REIT Manager's strategy and investment mandate for EH-REIT.

In evaluating future acquisition opportunities, the REIT Manager will rely on the following investment criteria in relation to the property under consideration:

- ***Yield requirements***

  The REIT Manager will seek to acquire only properties which are value-enhancing after taking into account regulatory, commercial, political and other relevant factors, with yields that are estimated to be at or above the cost of capital and which are expected to maintain or enhance returns to Stapled Securityholders while balancing the various risks associated with such an investment.

- ***Geographical location***

  The REIT Manager will assess each property's location and the potential for business growth in its market, as well as its impact on the overall geographic diversification of its asset portfolio. The REIT Manager will also evaluate a range of location-related criteria, including, but not limited to, ease of access, connectivity to major business, tourist and transportation hubs, visibility of properties from the surrounding markets and the presence and concentration of competitors in the vicinity of the property.

- ***Strong fundamentals and organic growth potential***

  The REIT Manager will seek to acquire properties with good potential for increasing RevPAR and occupancy rates going forward.

- ***Asset enhancement potential***

  The REIT Manager may also seek to acquire properties which have the potential to add value through improved hotel management, market repositioning or other asset enhancements.

- ***Building and facilities specification***

  With respect to potential properties to be acquired by EH-REIT, the REIT Manager will endeavour to conduct thorough property due diligence and adhere strictly to relevant legal and zoning regulations as well as quality specifications, with consideration given to the size and age of the buildings. The properties will be assessed by independent experts relating to repairs, maintenance and capital expenditure requirements in the short to medium term.

EHT's acquisition strategy is complemented by the Founder ROFRs. Collectively, the Founder ROFRs will provide EHT with access to future acquisition opportunities of income-producing real estate which is used primarily for hospitality and/or hospitality-related purposes, principally located in the US.

EH-REIT may also leverage on the Sponsor's extensive industry experience, expertise in assessing potential acquisition opportunities and track record in the refurbishment, rebranding and repositioning of hospitality assets, and may also tap on the established network of relationships which the Sponsor has developed in the global hospitality sector to pursue its growth strategy. Leveraging on this strategy, the REIT Manager believes that it will be able to source value-enhancing acquisitions within the Sponsor's immediate network of relationships.

Ramada Hialeah is subject to the Founder ROFRs and is expected to be offered to EHT in accordance with the Founder ROFRs.

Ramada Hialeah is a 224-room hotel located in Miami, Florida, just seven miles from Miami International Airport (MIA), and approximately 25 minutes to the world-renowned South Beach

area of Miami Beach. The hotel is in a prime spot off Route 826, and in close proximity to popular shopping destinations. It is currently being redeveloped, with expected completion in November 2019. Amenities at the property include a restaurant, lounge, pool, business centre and fitness centre.

Other than Ramada Hialeah, the Sponsor has access to a robust pipeline of assets which could be potential acquisition opportunities for EHT. The Sponsor continues to have an interest in one other hotel property and other hotel developments which currently do not qualify as Founder ROFRs, including The Wagner at the Battery, and is responsible for asset management, including overseeing the operations, financing and investment exit strategies of such hotel properties.

The Wagner at the Battery is a 298-room hotel located in lower Manhattan in New York City, New York, close to famous attractions such as Wall Street and the One World Trade Center tower and memorial site. While operating as an independent brand, it was initially built as a Ritz-Carlton hotel to 5-star standards. This waterfront hotel offers stunning city and ocean views, and top-tier amenities including a restaurant, lounge, business centre, and fitness centre. There are plans to renovate and convert to an internationally-recognised hotel brand, as well as the leasing of food and beverage venues to a top-tier local hospitality group. Following the conversion, which is expected to complete in late 2019, this asset would be a flagship in their portfolio.

Both Ramada Hialeah and The Wagner at the Battery have not been included in the Initial Portfolio as Ramada Hialeah is being redeveloped, and the Wagner at the Battery was only recently acquired by the Sponsor. The other hotel developments are not included in the Initial Portfolio because they are under various stages of entitlement and development and hence are not yet income-producing to be included in the Initial Portfolio. Accordingly, these properties are intended to be offered to EHT only when they mature and stabilise, where Stapled Securityholders would be able to benefit from the growth upside and the stable rental income of these properties.

Capital management strategy

The REIT Manager will endeavour to maintain a strong balance sheet, employ an appropriate combination of debt and equity in funding acquisitions and asset enhancements, secure diversified funding sources to access both financial institutions and capital markets, optimise its cost of debt financing and utilise interest rate hedging strategies, where appropriate, in order to minimise exposure to market volatility.

The REIT Manager intends to achieve the above by pursuing the following strategies:

- ***Optimal capital structure strategy***

  The REIT Manager endeavours to optimise the capital structure and cost of capital, within the borrowing limits set out in the Property Fund Appendix, by employing an optimal capital structure comprising an appropriate combination of debt and equity in funding acquisitions of properties and any asset enhancement activities. The REIT Manager's capital management strategy involves adopting and maintaining appropriate aggregate leverage levels to ensure optimal returns to Stapled Securityholders, while maintaining flexibility in respect of future capital expenditures or acquisitions.

In the event that EH-REIT incurs any future borrowings, the REIT Manager will periodically review EH-REIT's capital management policy with respect to its Aggregate Leverage and modify its strategy in the light of prevailing market conditions. The REIT Manager will endeavour to match the maturity of EH-REIT's indebtedness with the maturity of its investment assets, and to employ long-term, fixed-rate debt to the extent practicable in view of market conditions in existence from time to time. As and when appropriate, the REIT Manager will consider diversifying its sources of debt financing in the future, including by way of accessing the public debt capital markets. The public debt capital markets may also provide EH-REIT with the ability to secure longer-term funding options in a more cost efficient manner. Nevertheless, the REIT Manager intends to maintain a prudent level of borrowings while maximising returns for Stapled Securityholders.

(See "Capitalisation and Indebtedness" for further details.)

- ***Proactive interest rate and currency risk management strategy***

  The REIT Manager endeavours to utilise interest rate hedging strategies, where appropriate, to optimise risk-adjusted returns to Stapled Securityholders. The REIT Manager will adopt a proactive interest rate management policy to manage the risk associated with changes in interest rates on EH-REIT's borrowings while also seeking to ensure that EH-REIT's on-going cost of debt capital remains competitive.

  In addition, the REIT Manager's capital and risk management strategy includes managing risk of potential interest rate and foreign exchange volatility through the use of hedging instruments. The REIT Manager will regularly evaluate the feasibility of putting in place the appropriate level of interest rate and foreign exchange hedges, where applicable, after taking into account the prevailing market conditions.

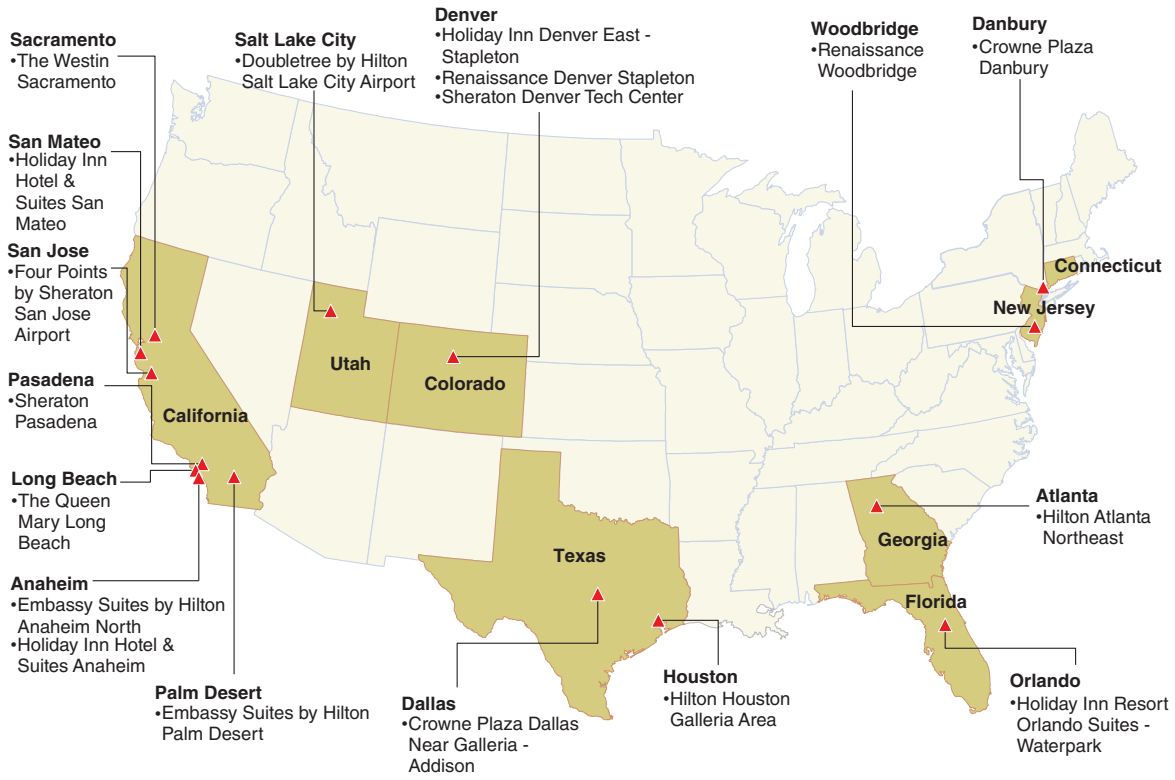
- ***Other financing strategies***

  The REIT Manager may, in future, consider other opportunities to raise additional equity capital for EH-REIT through the issue of new Stapled Securities, for example to finance acquisitions of properties. The decision to raise additional equity will also take into account the stated strategy of maintaining an optimal capital structure.

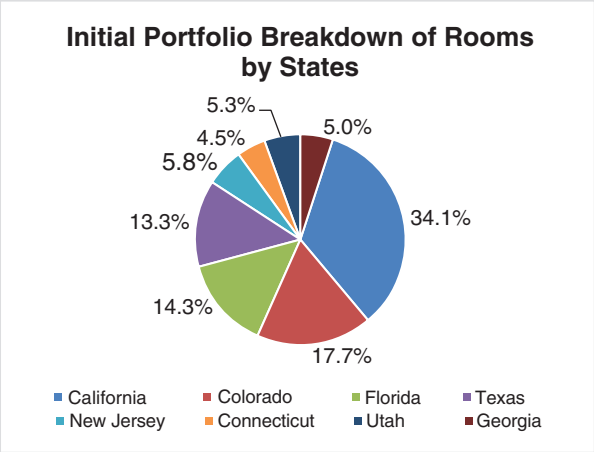
INITIAL PORTFOLIO OF EHT

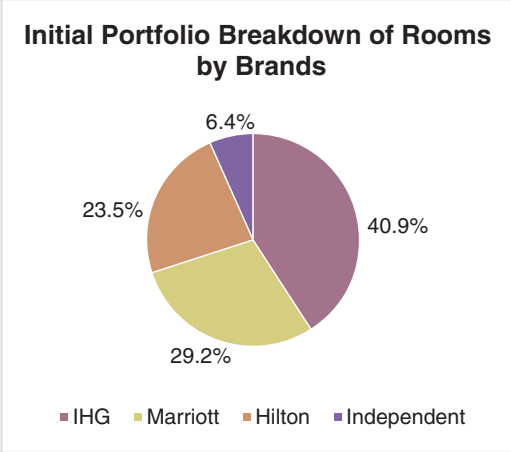
On the Listing Date, the Initial Portfolio will comprise 18 full-service hotels consisting of nine Upper Upscale hotels, five Upscale hotels and four Upper Midscale hotels with a total of 5,420 rooms and an aggregate valuation of approximately US$1.27 billion[1] located in the United States.

The location of the Initial Portfolio is set out below.



The following charts show a summary of key details of the Initial Portfolio:





1 Based on the Adopted Value of the Properties, which is the independent valuation by HVS (as at 31 December 2018).

The Hotels

Sheraton Pasadena

Sheraton Pasadena is located in the heart of Pasadena, California, near Los Angeles. It is within a 40-minute drive (21 miles) from Los Angeles International Airport. Nearby attractions include Old Town Pasadena, Rose Bowl, Norton Simon Museum, Huntington Library, Botanical Gardens and Pasadena Convention Center, and is in close proximity to abundant shopping, dining and entertainment options. The five-storey Hotel offers three room types, with a total of 311 rooms with shared access to 300 parking spaces. Facilities include up to 14 meeting rooms, a fitness centre, an outdoor heated pool, a restaurant and a bar.

Holiday Inn Hotel & Suites Anaheim

Holiday Inn Hotel & Suites Anaheim is next to Disneyland Resort and within a 15-minute drive (10 miles) from John Wayne International Airport and one mile from the Anaheim Convention Center. The Hotel consists of five buildings, with the tallest building being six-stories. It offers 11 room types, including Disney-themed suites, with a total of 255 rooms and 257 parking spaces. The facilities include a "splash zone" water park, up to four meeting rooms, a fitness centre, an outdoor heated pool/jacuzzi, a restaurant and a bar.

Embassy Suites by Hilton Anaheim North

Embassy Suites by Hilton Anaheim North is conveniently located within a 20-minute drive (12 miles) from John Wayne International Airport, and within a 40-minute drive from Los Angeles International Airport. Additionally, the Hotel is a 12-minute drive from Disneyland resort park and provides direct shuttle services to the theme park. The seven-storey Hotel offers four suite room types, with a total of 223 rooms and 420 parking spaces. The facilities include up to 10 meeting rooms, a fitness centre, an indoor pool with an outdoor sunning deck and a restaurant.

Holiday Inn Hotel & Suites San Mateo

Holiday Inn Hotel & Suites San Mateo is located within a five-minute drive (five miles) from San Francisco Airport. The Hotel is in close proximity to large corporations and prominent San Francisco tourist attractions such as Fisherman's Wharf, AT&T Park and Union Square. The Hotel comprises three buildings. The main building has four floors and the second building has three floors. The third building on the site currently has 47 rooms and is operating as an independent hotel, although planning is underway to rebrand it under the Holiday Inn or another IHG brand. It offers two room types, with a total of 219 rooms and 231 parking spaces. The facilities include three meeting rooms, a fitness centre, an indoor jacuzzi and a restaurant.

Four Points by Sheraton San Jose Airport

Four Points by Sheraton San Jose Airport is located in the heart of San Jose/Silicon Valley and in the immediate vicinity of the San Jose International Airport. It is within minutes from major Silicon Valley corporate campuses, convention centres, stadiums, universities and abundant shopping, dining and entertainment options. The five-storey Hotel offers seven room types, with a total of 195 rooms and 305 parking spaces. Facilities include up to six meeting rooms, a fitness centre, an outdoor heated pool, a restaurant and a bar.

The Westin Sacramento

The Westin Sacramento is located in the heart of California's capital city, on the Sacramento River and within a 15-minute drive (11 miles) from Sacramento International Airport. It is in close proximity to the convention centre and "Old Town" historic Sacramento. The three-storey hotel offers six room types, with a total of 101 rooms and 207 parking spaces. The facilities include six meeting rooms, a fitness centre, an outdoor heated pool, a spa, outdoor fire pits, bocce ball courts and a restaurant.

Embassy Suites by Hilton Palm Desert

Embassy Suites by Hilton Palm Desert is conveniently located within a 20-minute drive (11 miles) from Palm Springs International Airport. The hotel is within a 20-minute drive (12 miles) from Palm Springs, CA, a prominent Southern California resort city famed for its vibrant restaurants, nightlife and events. The three-storey hotel offers five room types, with a total of 198 rooms and 323 parking spaces. Facilities include seven meeting rooms, a fitness centre, an outdoor heated pool and a restaurant.

The Queen Mary Long Beach

The Queen Mary Long Beach is a landmark Southern California attraction and special event venue surrounding a 347-room hotel and banquet facility aboard the historic British ocean liner. It is conveniently located within a 15-minute drive (five miles) from Long Beach Airport and a 35-minute drive (18 miles) from Los Angeles International Airport. Nearby attractions within walking distance include the Aquarium of the Pacific, The Pike Outlets, The Parker's Lighthouse and Long Beach Convention Center. The Hotel comprises 12 decks with hotel rooms on the sixth to eighth decks. The ship offers 12 room types, with a total of 347 rooms and 1,600 parking spaces. Facilities include a total meeting space of approximately 80,000 sq ft, a fitness gym, three restaurants and three bars. The Hotel both puts on and hosts prominent events, such as annual winter event and a Halloween event that enjoy significant and consistent community support. More recently, following an agreement with Goldenvoice, a large-scale concert promoter, the Property has started to host numerous sizeable concerts per year since 2018. The contract with Goldenvoice is worth a minimum of US$1.25 million per annum with additional fees payable per event held.

Renaissance Denver Stapleton

Renaissance Denver Stapleton is located within a 20-minute drive (13 miles) from Denver International Airport. The Hotel is in close proximity to local attractions such as the Denver Zoo, Denver Museum of Nature and Science and Dicks Sporting Goods Park. The 12-storey Hotel offers seven room types, with a total of 400 rooms and 500 parking spaces. The facilities include up to 26 meeting rooms, a fitness centre, an indoor and outdoor pool, a restaurant, a bar. It is one of six venues in Colorado that are IACC (International Association of Conference Centres) certified.

Holiday Inn Denver East – Stapleton

Holiday Inn Denver East – Stapleton is within a 20-minute drive (13 miles) from Denver International Airport and is in close proximity to local attractions such as the Denver Zoo, Denver Museum of Nature and Science and Dicks Sporting Goods Park. The 11-storey hotel offers two room types, with a total of 298 rooms and 150 parking spaces. Facilities include up to 18 meeting rooms, a fitness centre, an outdoor heated pool, a restaurant and a bar.

Sheraton Denver Tech Center

Sheraton Denver Tech Center is located within a 30-minute drive (22 miles) from Denver International Airport and is in close proximity to the Denver Technological Center, a technology-focused business and economic hub. Other regional attractions include Downtown Denver and outdoor activities at the Pikes Peak mountain area. The 10-storey Hotel offers three room types, with a total of 263 rooms and 292 parking spaces. The facilities include 13 meeting rooms, a fitness centre, an outdoor heated pool and a restaurant.

Holiday Inn Resort Orlando Suites – Waterpark

Holiday Inn Resort Orlando Suites – Waterpark is conveniently located within a 20-minute drive (14 miles) from Orlando International Airport and within a 10-minute drive from the entrance of the Walt Disney World Resort's Magic Kingdom and central to the other Disney theme parks. Additionally, it is within five to 10 miles from major Orlando attractions – Universal Orlando and SeaWorld Orlando – and is in close proximity to several of Disney Springs' shopping, dining and entertainment destinations. The resort consists of 14 buildings. Five are six-stories, five are five-stories and the remaining four are four-stories. It offers three room types, with a total of 777 rooms. Facilities include the Lagoon Waterpark, a meeting room, a celebration theatre, a fitness centre, multiple F&B outlets and 850 parking spaces.

Crowne Plaza Dallas Near Galleria-Addison

Crowne Plaza Dallas Near Galleria-Addison is within a five-minute drive (two miles) from Addison Airport, a 20-minute (12 miles) drive from Dallas Fort-Worth International Airport and a 20-minute (12 miles) drive from Downtown Dallas. The four-storey Hotel offers 16 room types, with a total of 428 rooms and 630 parking spaces. The facilities include 11 meeting rooms, a club lounge area for IHG Rewards Club members, two fitness centres, an outdoor pool, a restaurant, a bar.

Hilton Houston Galleria Area

Hilton Houston Galleria Area is located near the heart of Downtown Houston and within a 30-minute drive (22 miles) from George Bush Intercontinental Airport. The Hotel is in close proximity to business hubs such as Downtown Houston, Westchase, the Galleria area and Sugarland. Additionally, it is located in the immediate vicinity of the "New-Chinatown" in Houston, a cultural centre filled with restaurants and entertainment activities. The 13-storey Hotel offers 15 room types, with a total of 292 rooms and 413 parking spaces. The facilities include up to 13 meeting rooms, a fitness centre, an outdoor pool, a restaurant and bar and shuttle services.

Renaissance Woodbridge

Renaissance Woodbridge, is conveniently located within a 20-minute drive (12 miles) from Newark Liberty International Airport. Nearby popular attractions include the New Jersey Convention and Exposition Center, Menlo Park Mall and PNC Bank Arts Center. Additionally the Hotel is close to Rutgers University and two large-scale malls in the neighbourhood, Menlo Park and Woodbridge Center. The seven-storey Hotel offers four room types, with a total of 312 rooms and 793 parking spaces. The facilities include eight meeting rooms, a fitness centre, an indoor pool and an outdoor heated pool, a restaurant and a bar.

Crowne Plaza Danbury

Crowne Plaza Danbury is located in Western Connecticut on the border between New York and Connecticut and is within a 40-minute drive (25 miles) from Westchester County Airport, the nearest sizeable airport. The Hotel is in close proximity to abundant shopping, dining and entertainment options which include The Ives Concert Park, The Ridgefield Playhouse and several sports arenas. The 10-storey Hotel offers seven room types, with a total of 242 rooms and 420 parking spaces. The facilities include 17 meeting rooms, a fitness centre, an indoor saltwater pool and two restaurants.

Doubletree by Hilton Salt Lake City Airport

Doubletree by Hilton Salt Lake City Airport is located in the immediate vicinity of Salt Lake City International Airport and within a 10-minute drive from Downtown Salt Lake City. The Hotel is in close proximity to numerous corporate offices and in close proximity to nearby popular attractions including Salt Palace Convention Center, Vivant Smart Home Arena and Great Salt Lake. Additionally, there are 13 world-class ski resorts located within an hour's drive, including Snowbird and Park City Mountain Resort. The six-storey Hotel offers three room types, with a total of 288 rooms and 294 parking spaces. The facilities include 13 meeting rooms, a basketball/sports court, a fitness centre, an indoor heated pool, a whirlpool, a restaurant, a bar and airport shuttle services.

Hilton Atlanta Northeast

Hilton Atlanta Northeast, is located in the Peachtree Corners neighbourhood and within a 40-minute drive (22 miles) from the Hartsfield-Jackson Atlanta International Airport. In close proximity to numerous corporate offices, the Hotel is within a five-minute drive from The Forum on Peachtree Parkway and 30 minutes from downtown Atlanta. The 10-storey hotel offers three room types, with a total of 271 rooms and 391 parking spaces. The facilities include up to 16 meeting rooms, a fitness centre, an indoor pool and an outdoor heated pool, a whirlpool, a restaurant and a bar.

OUTLOOK FOR THE HOSPITALITY SECTOR

All information provided in this section is extracted from Appendix E, "Independent Hospitality Industry Report". See Appendix E for further details.

"**U.S. Hospitality Sector Overview**

Featuring approximately 5.3 million hotel rooms and accounting for 30% of global hotel rooms inventory, the United States lodging market is the largest in the world.

The U.S. lodging market also stands out from the rest of the world in that it has a significantly higher share of branded hotel rooms, suggesting that institutional quality assets with access to strong distribution channels comprise a much larger percentage of its lodging stock. Branded hotel rooms comprise 71% of U.S. rooms supply, compared to 53% of rooms in Asia Pacific and only 40% of rooms in Europe.

The Independent Market Research Consultant expects the U.S. lodging market to perform well in relation to other global lodging markets during the next few years. U.S. real GDP growth, which is highly correlated with lodging demand growth, is projected to outperform growth in Latin America, Europe, and the Middle East in 2018 and 2019 according to growth forecasts from Oxford Economics.

At the same time, lodging supply growth in the U.S. is expected to be materially lower than in Asia Pacific as well as the Middle East and Africa based upon the active new supply pipeline for each global region. On balance, the demand and supply dynamics for the U.S. lodging market are attractive relative to most other global regions.

Since 2010, the U.S. lodging market has benefited from substantial improvement in operating performance, registering 102 months of consecutive year-over-year RevPAR growth as of August 2018.

During the next few years, the Independent Market Research Consultant expects that the U.S. economic expansion will continue to support growth in lodging demand, while lodging supply growth is expected to abate beginning in 2019 as rising construction costs deter new construction. According to the Independent Market Research Consultant and consistent with their view of future growth potential, CBRE projects average annual RevPAR growth of 2.1% between 2017 and 2022."

CERTAIN INFORMATION ON THE PROPERTIES

The table below sets out certain information with respect to each of the Hotels under the Initial Portfolio as at 31 December 2018:

S/N	Hotel	Location	Type of Hotel	Land Tenure	Number of Available Rooms	Occupancy Rate (FY2018)	RevPAR (FY2018) (US$)	Adopted Valuation[1] (US$' m)	Purchase Consideration (US$' m)	Capital Expenditure Spent Since 2013 (US$' m)	Approx. GFA (sq m)	Fixed Rent (per annum)[5] (US$' m)	Variable Rent (% of GOR)[5]	Variable Rent (% of GOP)[5]	Hotel Franchisor
1.	Sheraton Pasadena	Pasadena, California	Upper Upscale	Freehold	311	76.8%	129.8	114.2	100.1	16.8	14,710	4.2	22.0%	24.0%	Marriott
2.	Holiday Inn Hotel & Suites Anaheim	Anaheim, California	Upper Midscale	Freehold	255	86.4%	112.7	77.9	68.3	1.8	15,590	3.0	26.0%	25.0%	IHG
3.	Embassy Suites by Hilton Anaheim North	Anaheim, California	Upper Upscale	Freehold	223	81.1%	121.4	50.8	44.5	9.3	18,195	2.1	20.0%	17.0%	HWHI
4.	Holiday Inn Hotel & Suites San Mateo[2]	San Mateo, California	Upper Midscale	Freehold	219	76.1%	117.0	76.5	67.1	5.6	5,730	3.3	28.0%	29.0%	IHG
5.	Four Points by Sheraton San Jose Airport	San Jose, California	Upscale	Freehold	195	83.8%	154.7	69.1	60.6	6.3	10,425	2.8	24.0%	24.0%	Marriott
6.	The Westin Sacramento	Sacramento, California	Upper Upscale	Freehold	101	82.6%	167.6	43.6	38.2	2.7	7,935	1.6	23.0%	22.0%	Marriott
7.	Embassy Suites by Hilton Palm Desert	Palm Desert, California	Upper Upscale	Freehold	198	64.1%	93.2	32.1	28.1	9.0	16,240	1.4	18.0%	17.0%	HWHI
8.	The Queen Mary Long Beach	Long Beach, California	Upscale	66 Years Leasehold from 1 Nov 2016	347	69.8%	100.7	159.4	139.7	23.5	92,900	10.4[3]	–	8.0%[4]	Independently operated
9.	Renaissance Denver Stapleton	Denver, Colorado	Upper Upscale	Freehold	400	75.1%	96.2	88.2	77.3	16.8	35,685	3.9	17.0%	24.0%	Marriott
10.	Holiday Inn Denver East – Stapleton	Denver, Colorado	Upper Midscale	Freehold	298	67.3%	68.7	50.6	44.4	10.9	19,350	2.3	20.0%	22.0%	IHG

S/N	Hotel	Location	Type of Hotel	Land Tenure	Number of Available Rooms	Occupancy Rate (FY2018)	RevPAR (FY2018) (US$)	Adopted Valuation[1] (US$' m)	Purchase Consideration (US$' m)	Capital Expenditure Spent Since 2013 (US$' m)	Approx. GFA (sq m)	Fixed Rent (per annum)[5] (US$' m)	Variable Rent (% of GOR)[5]	Variable Rent (% of GOP)[5]	Hotel Franchisor
11.	Sheraton Denver Tech Center	Denver, Colorado	Upper Upscale	Freehold	263	69.1%	81.0	31.7	27.8	3.6	15,360	1.8	16.0%	18.0%	Marriott
12.	Holiday Inn Resort Orlando Suites – Waterpark	Orlando, Florida	Upper Midscale	Freehold	777	70.5%	75.2	162.8	142.7	27.5	55,730	7.5	19.0%	22.0%	IHG
13.	Crowne Plaza Dallas Near Galleria-Addison	Dallas, Texas	Upscale	Freehold	428	61.0%	58.1	57.8	50.7	3.5	31,080	2.5	18.0%	20.0%	IHG
14.	Hilton Houston Galleria Area	Houston, Texas	Upper Upscale	Freehold	292	72.6%	72.5	48.6	42.6	9.7	18,760	2.2	22.0%	20.0%	HWHI
15.	Renaissance Woodbridge	Woodbridge, New Jersey	Upper Upscale	Freehold	312	79.8%	109.4	76.6	67.1	6.3	22,575	3.4	19.0%	19.0%	Marriott
16.	Crowne Plaza Danbury	Danbury, Connecticut	Upscale	Freehold	242	65.2%	62.1	12.0	10.5	0.3	19,180	0.8	10.0%	10.0%	IHG
17.	Doubletree by Hilton Salt Lake City Airport	Salt Lake City, Utah	Upscale	Freehold	288	83.6%	92.4	60.9	53.4	7.6	17,390	2.6	21.0%	22.0%	HWHI
18.	Hilton Atlanta Northeast	Atlanta, Georgia	Upper Upscale	Freehold	271	78.8%	97.4	55.4	48.6	13.0	18,355	2.4	19.0%	20.0%	HWHI

Notes:

(1) Adopted Valuation refers to the independent valuation by HVS (as at 31 December 2018).

(2) Includes a 47-room hotel building located on the site of this Hotel which is currently operating as an independent hotel, though planning is underway to rebrand it under the Holiday Inn or another IHG brand.

(3) Fixed Rent is US$10.4 million per annum in Forecast Period 2019 with a rental escalation of 2.0% per annum from Projection Year 2020 and onwards.

(4) Variable Rent is 8.0% of Gross Operating Profit, over and above the Fixed Rent component.

(5) Please refer to "Certain Agreements relating to EHT, EH-REIT, EH-BT and the Properties – Master Lease Agreements" for further details of the computation of the rental for each Property.

OPERATIONAL DATA OF THE INITIAL PORTFOLIO

The ADR, Occupancy Rate and RevPAR of the Hotels for FY2016, FY2017, FY2018, Forecast Period 2019, and Projection Year 2020 are set out in the table below.

Initial Portfolio	FY2016	FY2017	FY2018	Forecast Period 2019 (1 May 2019 to 31 December 2019)	Projection Year 2020
ADR[1] (US$)	124.9	125.8	127.7	137.3	144.0
Occupancy Rate[2]	69.8%	69.0%	73.6%	78.5%	76.8%
RevPAR[3] (US$)	87.2	86.8	93.9	107.7	110.6

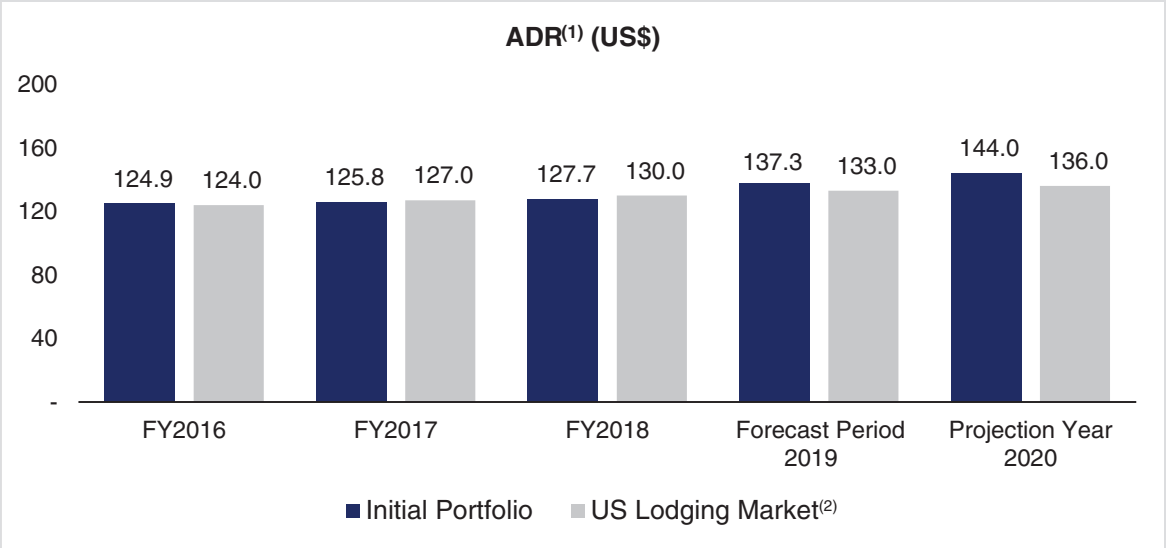
Notes:

(1) Computed based on the total room revenue of the Hotels divided by the total number of rooms sold at the Hotels for the relevant period.

(2) Computed based on the total number of rooms sold at the Hotels divided by the total number of available rooms at the Hotels for the relevant period.

(3) Computed based on the total room revenue of the Hotels divided by the total number of available rooms at the Hotels for the relevant period.

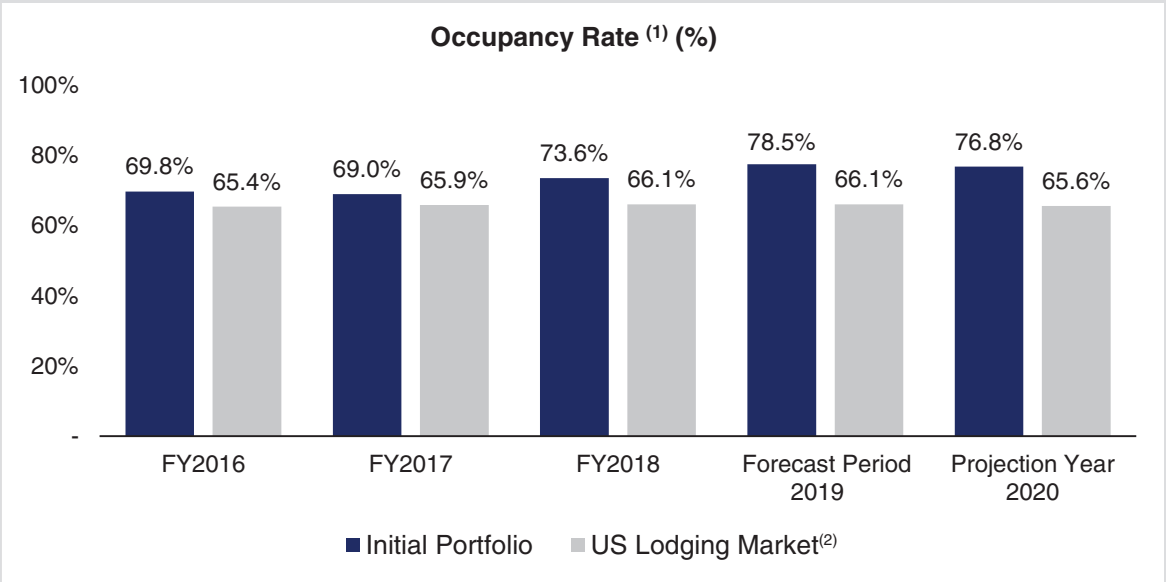
The following charts show the ADR, Occupancy Rate and RevPAR of the Hotels for FY2016, FY2017, FY2018, Forecast Period 2019, and Projection Year 2020.



Notes:

(1) Computed based on the total room revenue of the Hotels divided by the total number of rooms sold at the Hotels for the relevant period.

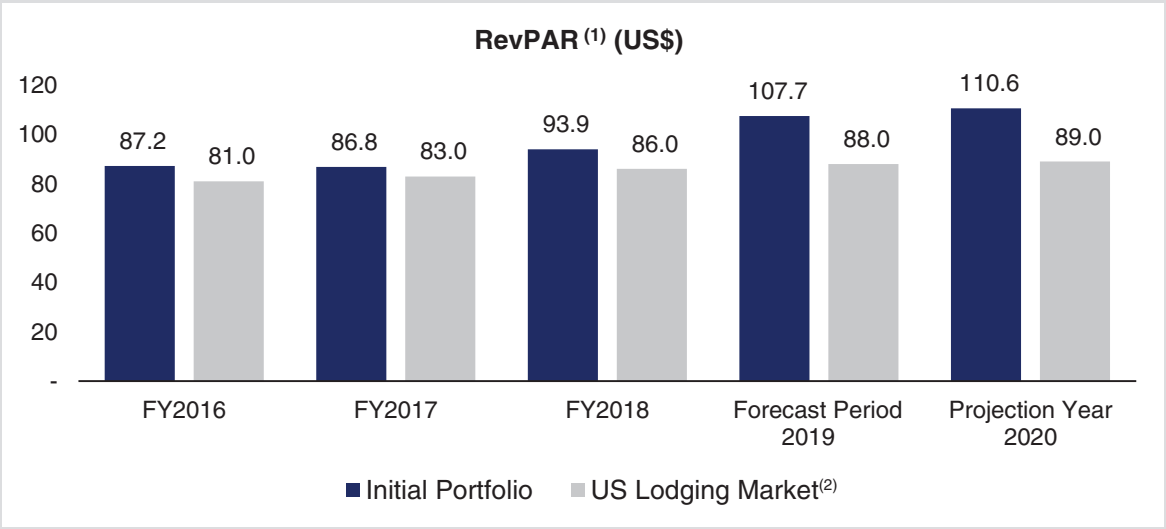
(2) US Lodging Market figures are based on the Independent Hospitality Industry Report prepared by the Independent Market Research Consultant.



Notes:

(1) Computed based on the total number of rooms sold at the Hotels divided by the total number of available rooms at the Hotels for the relevant period.

(2) US Lodging Market figures are based on the Independent Hospitality Industry Report prepared by the Independent Market Research Consultant.



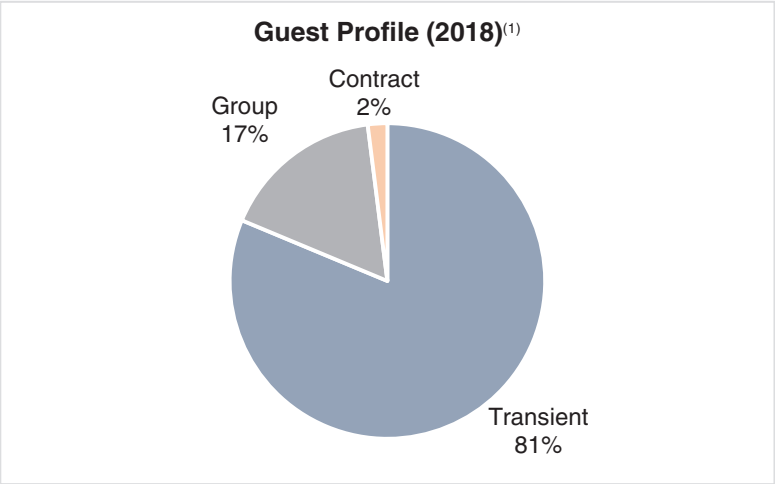
Notes:

(1) Computed based on the total room revenue of the Hotels divided by the total number of available rooms at the Hotels for the relevant period.

(2) US Lodging Market figures are based on the Independent Hospitality Industry Report prepared by the Independent Market Research Consultant.

Guest Profile of the Hotels

The following chart sets out a breakdown of the guest profile of the Hotels by room revenue.



Note:

(1) Category breakdowns include Transient (rooms sold to individuals or groups of less than 10 rooms per night, also includes no-show charges), Group (typically defined as 10 or more rooms per night, sold pursuant to a signed agreement), and Contract (a consistent block of rooms committed at stipulated contract rates, such as for airline crews and permanent guests).

SHERATON PASADENA
303 Cordova Street, Pasadena, California 91101

Description

Sheraton Pasadena is a 311-room hotel located in the heart of Pasadena, California, near Los Angeles. The Hotel is a short distance to abundant shopping, dining and entertainment options that include Old Town Pasadena, Rose Bowl, the Norton Simon Museum, and The Huntington Library and Botanical Gardens. In addition to the leisure options within the local vicinity, the property is adjacent to the Pasadena Convention Center. The Hotel is located 21 miles (within 40-minute drive) from Los Angeles International Airport.

The Hotel comprises 5 stories and has shared access to 300 parking spaces.

Sheraton Pasadena offers a variety of room options ranging from 400 sq ft to 500 sq ft.

Room Type	Size (sq ft)	Room Count
Standard RM (King Only)	400	152
RM (DBL Only)	400	147
Suites (King Only)	500	12
Total		**311**

Property Photos

Meeting and Conference Facilities

Sheraton Pasadena has up to 14 meeting rooms with a total meeting space of approximately 12,000 sq ft. The following table sets out the size and capacity of the meeting and conference facilities in the Hotel.

Venue	Size (sq ft)	Capacity[1]
Justines/Piazza	5,037	600
Justines	2,484	350
Justines Central	864	100
Justines East	828	100
Justines West	828	100
Piazza	2,001	200
Magnolia	1,773	150
Cypress	1,272	100
Colorado	864	80
Cordova	784	50
Maple	567	50
Aspen	450	40
Redwood	450	40
Oak	416	50
Marengo	364	30
Boardroom	330	8

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

Dining options at the Hotel include (i) Restaurant Soleil which serves breakfast, lunch and dinner, and has a capacity for 48 people, as well as (ii) Charlie's Bar, a restaurant and bar which serves lunch and dinner, and has a capacity for 57 people. The Hotel also provides room service and has a convenience store.

Recreational and Other Facilities

The Hotel offers a 24-hour business centre, a variety of cardio and weight training equipment at the well-equipped Sheraton Fitness, and an outdoor heated swimming pool.

Summary of Selected Information

The table below sets out a summary of selected information on Sheraton Pasadena.

Completion Date	1975
Completion Date of Last Renovation	Expected May 2019
Land Tenure	Freehold
Type of Hotel	Upper Upscale
Brand Franchisor	Marriott
Approximate GFA (sq m)	14,710
Number of Available Rooms	311
Carpark Lots	850
RevPAR (FY2018) (US$)	129.8
Adopted Value by Colliers (as at 31 December 2018)	US$98.9 million
Adopted Value by HVS (as at 31 December 2018)	US$114.2 million
Adopted Valuation	US$114.2 million
Purchase Consideration	US$100.1 million
Master Lessor	Urban Commons Cordova A, LLC
Master Lessee	EHT CDPCT, LLC
Master Lease Tenure	20+14 years
Master Lease Rental	Fixed rent: US$4.2 million Variable rent: 22.0% of GOR plus 24.0% of GOP minus Fixed Rent
Variable Rent for the Forecast Period 2019	US$1.7 million
Variable Rent for the Projection Year 2020	US$2.7 million
CIF Reserve	4.0% of Room Revenue

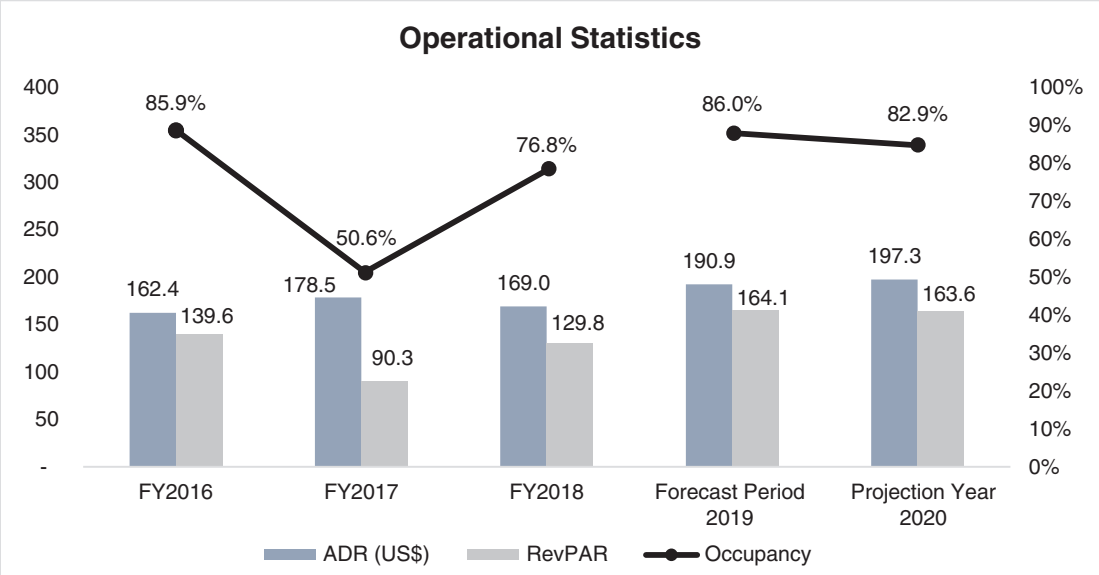
Asset Management Initiatives

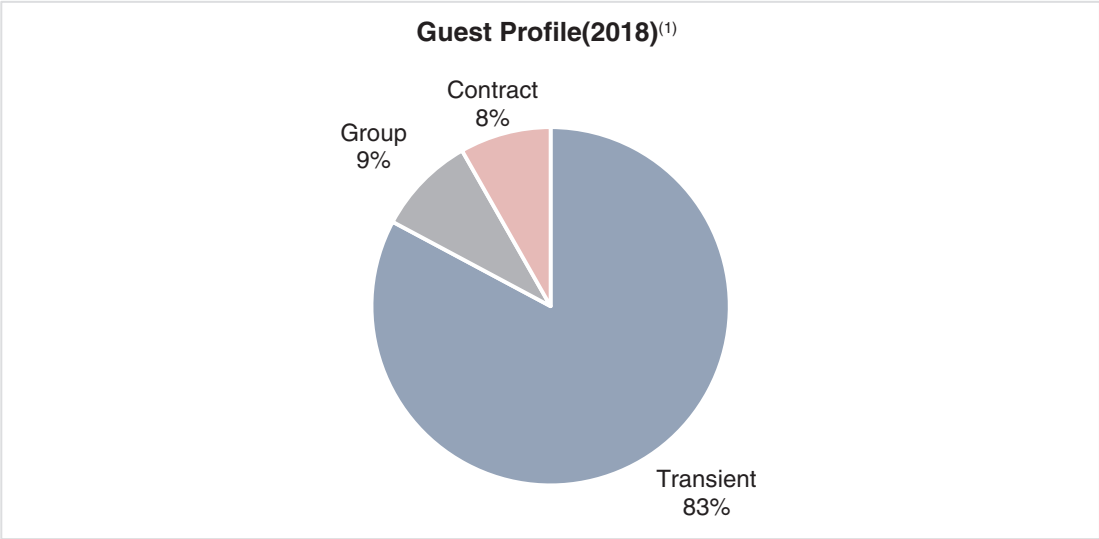
At the time of acquisition, the Hotel had to lease the air rights of a neighbouring structure that was owned by the City of Pasadena, due to its height. The Sponsor negotiated a purchase of the air rights which led to savings of US$0.48 million per year in lease costs. A US$15.6 million full renovation of all guestrooms, meeting space, public spaces and the restaurant began in May 2017 and was completed in September 2018. Additionally, the exterior front porch is currently being renovated and is expected to be completed by May 2019[1].

1 Asset enhancement works have substantially been completed, expected completion date for final works is in May 2019.

Operating Statistics

The following charts show certain information on the operations of Sheraton Pasadena, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile by room revenue.





Note:

(1) Category breakdowns include Transient (rooms sold to individuals or groups of less than 10 rooms per night, also includes no-show charges), Group (typically defined as 10 or more rooms per night, sold pursuant to a signed agreement), and Contract (a consistent block of rooms committed at stipulated contract rates, such as for airline crews and permanent guests)

HOLIDAY INN HOTEL & SUITES ANAHEIM
1240 South Walnut Street, Anaheim, California 92802

Holiday Inn Hotel & Suites Anaheim is located next to Disneyland Resort, and within one mile from Anaheim Convention Center. Featuring 255 well-appointed guest rooms, the Hotel offers Disney-themed suites and has a "splash zone" water park. The property is located 10 miles (within 15-minute drive) from John Wayne International Airport.

The Hotel consists of five buildings, with the tallest being six-stories. Parking facilities include 257 spaces. Holiday Inn Hotel & Suites Anaheim offers a variety of room type options ranging from 276 sq ft to 900 sq ft.

Room Type	Size (sq ft)	Room Count
Deluxe King	300	20
Deluxe Doubles	276	39
Deluxe Queens	300	163
1 Bedroom Suite 2 Queen Beds	600	16
1 Bedroom Suite King	600	3
1 Bedroom Suite 1 Queen/Accessible	600	1
2 Bedroom Family Suite	900	4
Accessible Double	300	4
Accessible Double Roll in shower	300	1
Accessible King	336	3
Accessible King Roll In Shower	336	1
Total		**255**

Property Photos

Meeting and Conference Facilities

Holiday Inn Hotel & Suites Anaheim has up to four meeting rooms with a total meeting space of 3,370 sq ft. The following table sets out the size and capacity of the meeting and conference facilities in the Hotel.

Venue	Size (sq ft)	Capacity[1]
Meritage	1,890	216
Meritage A	945	108
Meritage B	945	108
Chianti	1,480	130
Chianti A	740	65
Chianti B	740	65

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

Dining options at the Hotel include (i) Onyx Restaurant and (ii) Onyx Bar, a bar with a combined capacity for 110 people, as well as poolside dining service. The Hotel also provides room service and a gift shop.

Recreational and Other Facilities

The Hotel offers 24-hour business centre, fitness facility with a variety of cardio and weight training equipment, an outdoor heated swimming pool and jacuzzi and a “splash zone” water park.

Summary of Selected Information

The table below sets out a summary of selected information on Holiday Inn Hotel & Suites Anaheim.

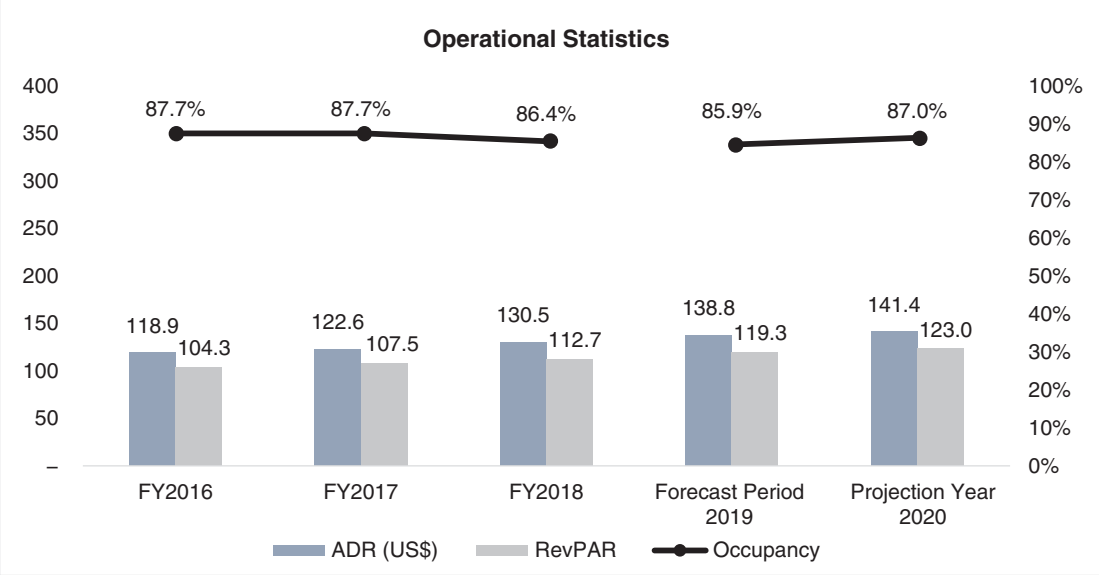
Completion Date	1978
Completion Date of Last Renovation	April 2017
Land Tenure	Freehold
Type of Hotel	Upper Midscale
Brand Franchisor	IHG
Approximate GFA (sq m)	15,590
Number of Available Rooms	255
Carpark Lots	257
RevPAR (FY2018) (US$)	112.7
Adopted Value by Colliers (as at 31 December 2018)	US$71.1 million
Adopted Value by HVS (as at 31 December 2018)	US$77.9 million
Adopted Valuation	US$77.9 million
Purchase Consideration	US$68.3 million
Master Lessor	Urban Commons Anaheim HI, LLC
Master Lessee	EHT HIA, LLC
Master Lease Tenure	20+14 years
Master Lease Rental	Fixed rent: US$3.0 million Variable rent: 26.0% of GOR plus 25.0% of GOP minus Fixed Rent
Variable Rent for the Forecast Period 2019	US$1.3 million
Variable Rent for the Projection Year 2020	US$2.0 million
CIF Reserve	4.0% of Room Revenue

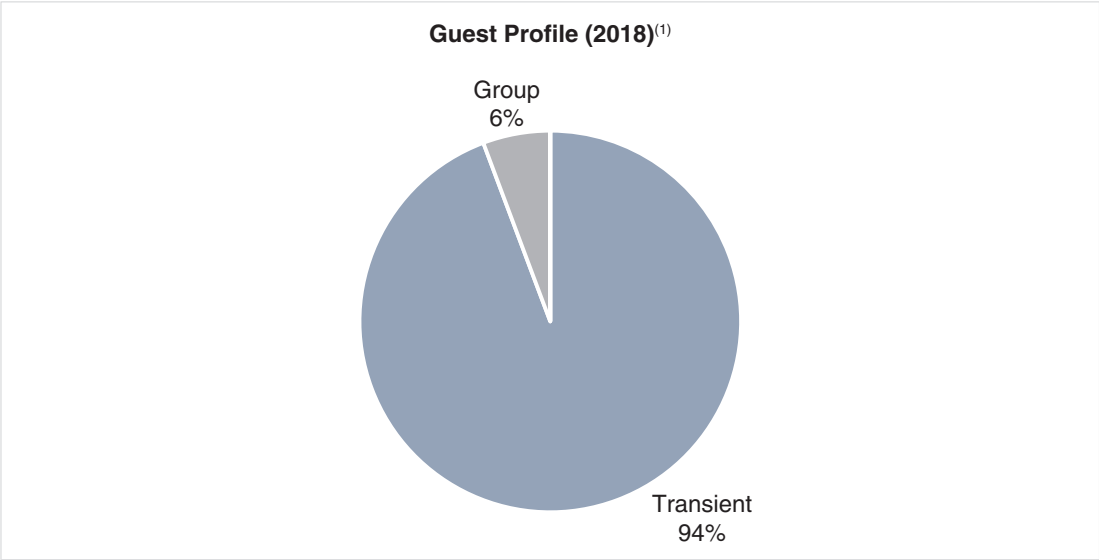
Asset Management Initiatives

The Hotel capitalised on its proximity to Disneyland by converting 25 of its 255 suites to Disney-themed suites to achieve a higher yield. In addition, a family-friendly “splash zone” water park was constructed on the Hotel to further enhance its appeal to the leisure market.

Operating Statistics

The following charts show certain information on the operations of Holiday Inn Hotel & Suites Anaheim, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile by room revenue.





Note:

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EMBASSY SUITES BY HILTON ANAHEIM NORTH
3100 East Frontera Street, Anaheim, California 92806

Description

Embassy Suites by Hilton Anaheim North Hotel is a seven-storey, all-suite hotel with 223 rooms. It is located just a 12-minute drive from Disneyland, within a 20-minute drive from John Wayne International Airport and within a 40-minute drive from Los Angeles International Airport. This Hotel is a Disneyland "Good Neighbor" hotel, a designation signifying convenience to the resort. The Hotel also offers direct shuttle service to Disneyland.

Each suite features a private master bedroom with a separate living area furnished with a sofa, bed, refrigerator, wet bar, microwave, coffeemaker, hairdryer, iron, ironing board. The Embassy Suites by Hilton Anaheim North offers a variety of room options ranging from 469 sq ft to 518 sq ft and has 420 parking spaces.

Room Type	Size (sq ft)	Room Count
One Bedroom King Suite with pull-out sofa sleeper	469	122
One Bedroom Queen/Queen Suite with pull-out sofa sleeper	518	91
One Bedroom King Accessible Suite	469	9
One Bedroom Queen/Queen Accessible Suite	518	1
Total		**223**

Property Photos

Meeting and Conference Facilities

Embassy Suites by Hilton Anaheim North has up to ten meeting rooms with a total meeting space of approximately 7,000 sq ft. The following table sets out the size and capacity of the meeting and conference facilities in the Hotel.

Venue	Size (sq ft)	Capacity[1]
Grand Ballroom	4,755	600
Morning Glory	1,470	166
Spanish Moss	1,198	106
Cypress Grove	1,037	88
Weeping Willow	1,029	98
Court Room	2,304	200
Crescent Court	1,166	122
Swan Court	1,159	98
Conference Suite 1	312	10
Conference Suite 2	312	10
Conference Suite 3	312	10
Conference Suite 4	312	10

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

The Hotel offers complimentary cooked-to-order breakfast every morning in the Atrium, as well as a complimentary evening reception for guests, which comes with beer, wine, and snacks. Lunch and dinner are offered at the Hotel's restaurant, Bistro 3100 Restaurant with a capacity for 150 people, as well as Bistro 3100 Bar with a capacity for 56 people. The Hotel also offers room service, and a convenience store at the lobby.

Recreational and Other Facilities

The Hotel includes a fitness centre, indoor pool with an outdoor sunning deck, and 24-hour business centre.

Summary of Selected Information

The table below sets out a summary of selected information on Embassy Suites by Hilton Anaheim North.

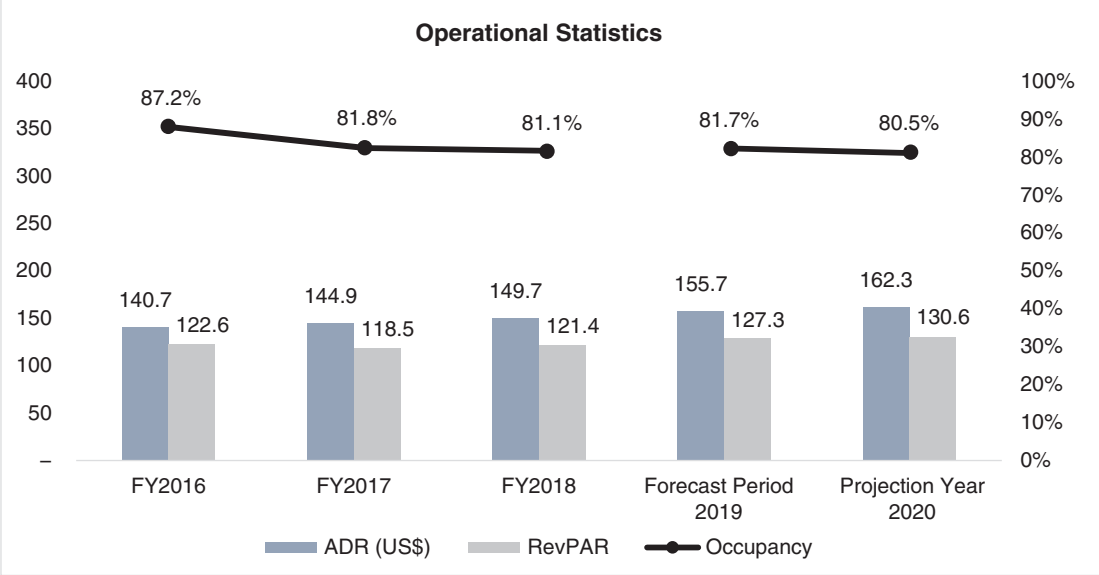
Completion Date	1987
Completion Date of Last Renovation	November 2018
Land tenure	Freehold
Type of Hotel	Upper Upscale
Brand Franchisor	HWHI
Approximate GFA (sq m)	18,195
Number of Available Rooms	223
Carpark Lots	420
RevPAR (FY2018) (US$)	121.4
Adopted Value by Colliers (as at 31 December 2018)	US$48.2 million
Adopted Value by HVS (as at 31 December 2018)	US$50.8 million
Adopted Valuation	US$50.8 million
Purchase Consideration	US$44.5 million
Master Lessor	UCF 1, LLC
Master Lessee	EHT ESAN, LLC
Master Lease Tenure	20+14 years
Master Lease Rental	Fixed rent: US$2.1 million Variable rent: 20.0% of GOR plus 17.0% of GOP minus Fixed Rent
Variable Rent for the Forecast Period 2019	US$0.8 million
Variable Rent for the Projection Year 2020	US$1.2 million
CIF Reserve	4.0% of Room Revenue

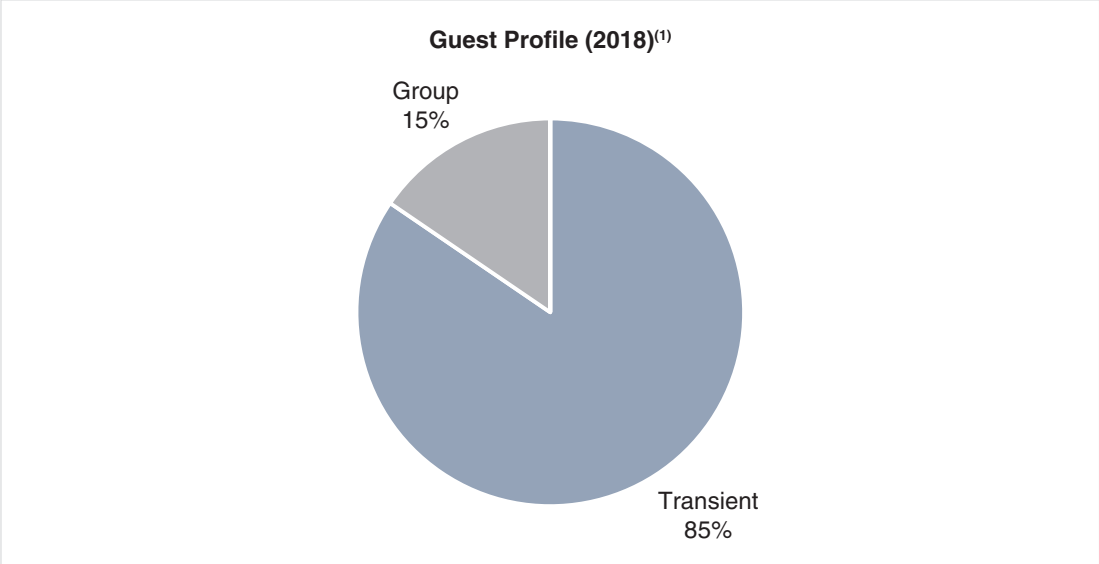
Asset Management Initiatives

The Hotel has undergone a US$9.3 million renovation conducted in phases since 2013. As at November 2018, the Hotel has been fully renovated including all guestrooms, lobby, meeting spaces and food and beverage venues. As part of the refurbishment, significant value was also added by repurposing a previously unused portion of the lobby, to a catering space for social events.

Operating Statistics

The following charts show certain information on the operations of Embassy Suites by Hilton Anaheim North, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile by room revenue.





Note:

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HOLIDAY INN HOTEL & SUITES SAN MATEO
330 North Bayshore Boulevard, San Mateo, San Mateo County, California 94401

Description

Holiday Inn Hotel & Suites San Mateo is a 219-room hotel in the San Francisco Bay area. The property is located within a five-minute drive from San Francisco Airport, and is proximate to large corporations in technology, pharmaceutical, and the consulting sectors. The Hotel also enjoys close proximity to Coyote Point Museum, Great America Theme Park, as well as prominent San Francisco tourist attractions such as Fisherman's Wharf, AT&T Park and Union Square.

The Hotel comprises three buildings. The main building has four floors and the second building has three floors. The third building on the site of Holiday Inn Hotel & Suites San Mateo currently has 47 rooms and is currently operating as an independent hotel, although planning is underway to rebrand it under the Holiday Inn or another IHG brand. The Hotel has both outdoor and indoor secure parking facilities with 231 parking spaces available.

Holiday Inn Hotel & Suites San Mateo offers a variety of room options ranging from 299 sq ft to 568 sq ft.

Room Type	Size (sq ft)	Room Count
Standard King/Double	299	152
King Suite	310-568	20
Total		**172**(1)

Note:

(1) Excludes 47 rooms in the third, independent building.

Property Photos

Meeting and Conference Facilities

Holiday Inn Hotel & Suites San Mateo has three meeting rooms with a total meeting space of 2,200 sq ft. The following table sets out the size and capacity of the meeting and conference facilities in the Hotel.

Venue	Size (sq ft)	Capacity[1]
Barbara Room	1,100	Up to 100
Christina Room	567	Up to 40
Coyote Room	533	Up to 40

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

Bistro 330 is an American diner which serves lunch and dinner and has a capacity for 62 people. The Hotel also offers room service. The independent hotel does not have any food and beverage facilities.

Recreational and Other Facilities

The Hotel offers 24-hour business centre, a variety of cardio and weight training equipment, sauna, and an indoor jacuzzi.

Summary of Selected Information

The table below sets out a summary of selected information on Holiday Inn Hotel & Suites San Mateo.

Completion Date	1991
Completion Date of Last Renovation	June 2018
Land Tenure	Freehold
Type of Hotel	Upper Midscale
Brand Franchisor	IHG
Approximate GFA (sq m)	5,730
Number of Available Rooms	219 including the independent building
Carpark Lots	231
RevPAR (FY2018) (US$)	117.0
Adopted Value by Colliers (as at 31 December 2018)	US$66.7 million
Adopted Value by HVS (as at 31 December 2018)	US$76.5 million
Adopted Valuation	US$76.5 million
Purchase Consideration	US$67.1 million
Master Lessor	Urban Commons Bayshore A, LLC

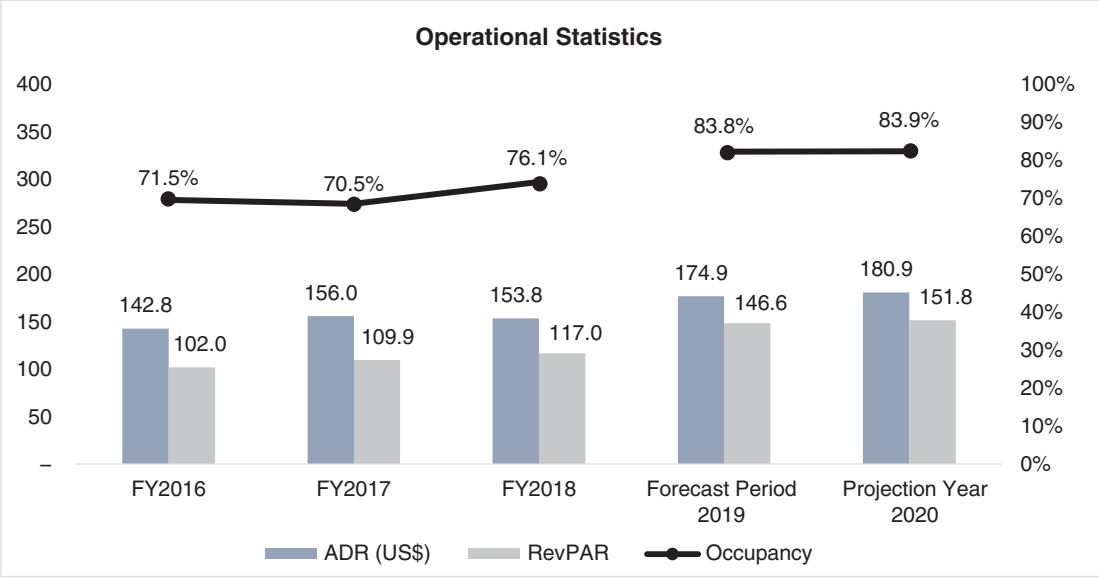
Master Lessee	EHT HISM, LLC
Master Lease Tenure	20+14 years
Master Lease Rental	Fixed rent: US$3.3 million Variable rent: 28.0% of GOR plus 29.0% of GOP minus Fixed Rent
Variable Rent for the Forecast Period 2019	US$1.4 million
Variable Rent for the Projection Year 2020	US$2.2 million
CIF Reserve	4.0% of Room Revenue

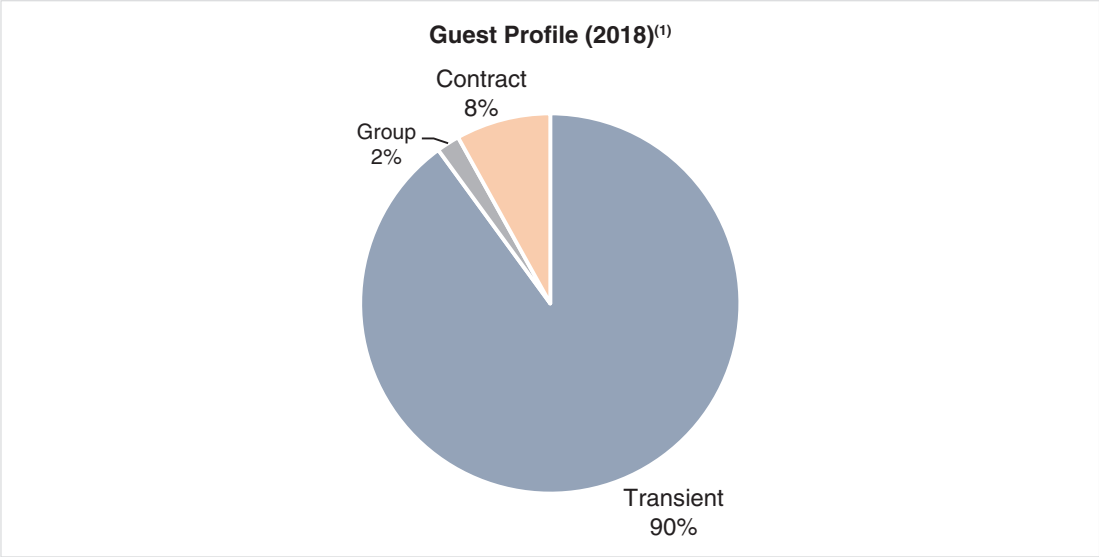
Asset Management Initiatives

The two buildings operating as Holiday Inn Hotel & Suites San Mateo were fully renovated in June 2018. One of the two buildings underwent a rebranding exercise and was converted from a Comfort Inn brand franchise to a Holiday Inn as part of the US$5.6 million renovation program, significantly increasing the RevPAR of these converted rooms. As a result of the renovation, the Hotel has secured an airline contract. Plans are underway to rebrand the third building, currently operating independently, into Holiday Inn or another IHG brand starting in 2021.

Operating Statistics

The following charts show certain information on the operations of Holiday Inn Hotel & Suites San Mateo, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile by room revenue.





Note:

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FOUR POINTS BY SHERATON SAN JOSE AIRPORT
1471 North Fourth Street, San Jose, Santa Clara County, California 95112

Description

Four Points by Sheraton San Jose Airport hotel is a 195-room hotel located in the heart of San Jose/Silicon Valley. The Hotel is in the immediate vicinity of the San Jose International Airport, and is minutes from numerous major Silicon Valley corporate campuses such as Apple Inc. and Google LLC, within three miles from Downtown San Jose and the San Jose McEnery Convention Center, and four miles from the SAP Center and Levi Stadium. Within four miles from the Hotel are abundant shopping, dining and entertainment options that include Downtown San Jose, Santana Row, Westfield Shopping town Valley Fair, the Children's Discovery Museum, Tech Museum of Innovation, and Avaya Stadium. In addition to the leisure options within the local vicinity, the Hotel is within four miles from both Santa Clara University and San Jose State University.

The Hotel comprises five stories. Parking facilities include an open and covered garage with 305 parking spaces.

The Four Points by Sheraton San Jose Airport hotel offers a variety of room options ranging from 350 sq ft to 515 sq ft.

Room Type	Size (sq ft)	Room Count
Traditional King	350	55
Traditional Double Double	375	35
Traditional Queen	350	13
Deluxe King	375	50
Deluxe Double Double	375	30
Junior Suite	425	3
Suite	515	9
Total		**195**

Property Photos

Meeting and Conference Facilities

Four Points by Sheraton San Jose Airport has up to six meeting rooms with a total meeting space of 4,802 sq ft. The following table sets out the size and capacity of the meeting and conference facilities in the hotel.

Venue	Size (sq ft)	Capacity[1]
Versailles Ballroom	2,808	250
Versailles I	1,008	80
Versailles II	936	80
Versailles III	864	70
Bordeaux	980	65
Chantilly	600	30
Merlot Boardroom	414	10

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

Dining options at the Hotel include (i) Hanger Grill, a restaurant which serves breakfast and lunch daily, with a capacity for 85 people and (ii) Hanger Bar, a bar which serves dinner and lighter fare daily with a capacity for 45 people. The Hotel also offers a convenience store.

Recreational and Other Facilities

The Hotel offers a 24-hour business centre, a variety of cardio and weight training equipment in the well-equipped fitness room, and an outdoor heated swimming pool.

Summary of Selected Information

The table below sets out a summary of selected information on Four Points by Sheraton San Jose Airport.

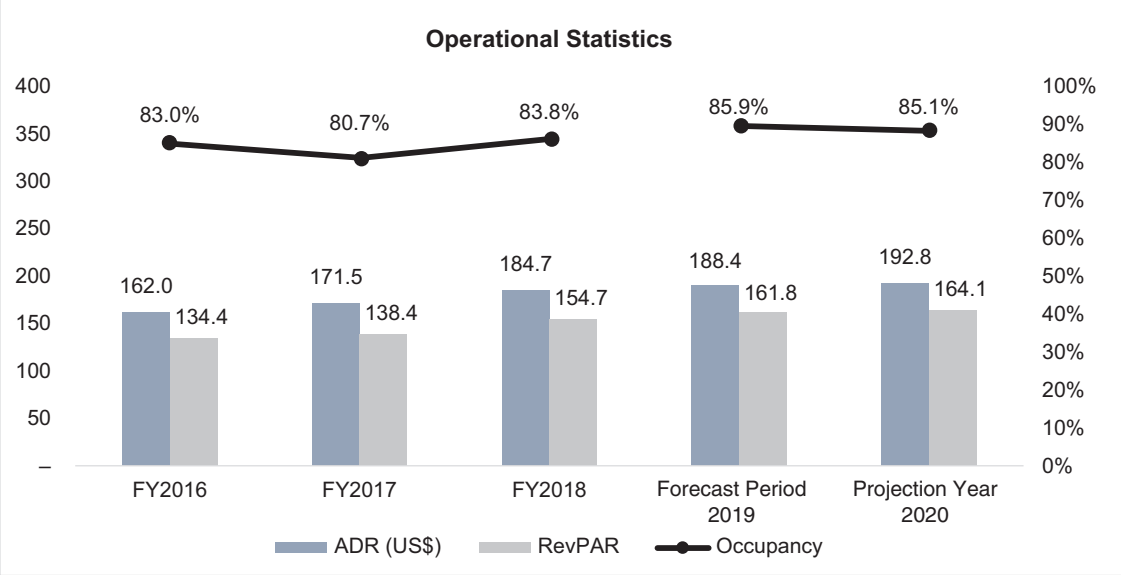
Completion Date	1986
Completion Date of Last Renovation	March 2016
Land tenure	Freehold
Type of Hotel	Upscale
Brand Franchisor	Marriott
Approximate GFA (sq m)	10,425
Number of Available Rooms	195
Carpark Lots	A four-storey parking structure of 247 parking spaces, plus open parking area around hotel of 58 spaces
RevPAR (FY2018) (US$)	154.7
Adopted Value by Colliers (as at 31 December 2018)	US$63.3 million
Adopted Value by HVS (as at 31 December 2018)	US$69.1 million
Adopted Valuation	US$69.1 million
Purchase Consideration	US$60.6 million
Master Lessor	Urban Commons 4th Street A, LLC
Master Lessee	EHT FPSJ, LLC
Master Lease Tenure	20+14 years
Master Lease Rental	Fixed rent: US$2.8 million Variable rent: 24.0% of GOR plus 24.0% of GOP minus Fixed Rent
Variable Rent for the Forecast Period 2019	US$1.1 million
Variable Rent for the Projection Year 2020	US$1.8 million
CIF Reserve	4.0% of Room Revenue

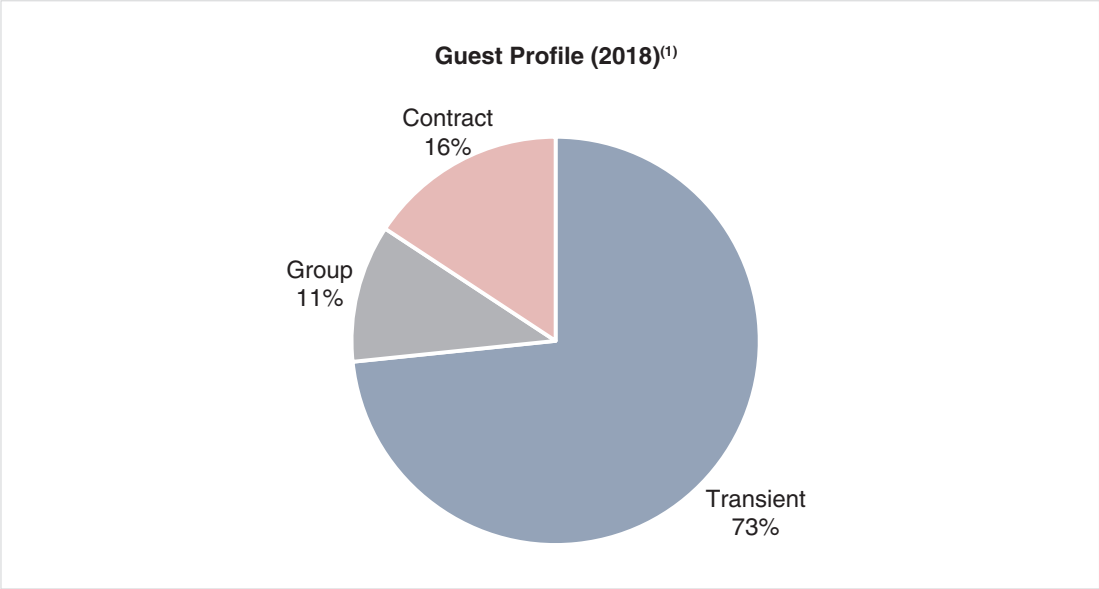
Asset Management Initiatives

The Hotel embarked on a rebranding programme in 2013 and underwent a comprehensive renovation of rooms, meeting space, public spaces and the restaurant at a cost of US$6.3 million to convert to a Four Points by Sheraton hotel. The renovation was completed in 2016 and has led to a significant increase in the Hotel's RevPAR.

Operating Statistics

The following charts show certain information on the operations of Four Points by Sheraton San Jose Airport, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest by revenue.





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THE WESTIN SACRAMENTO
4800 Riverside Boulevard, Sacramento, California 95822

Description

The Westin Sacramento is a 101-room hotel located in the heart of California's capital city, on the Sacramento River. The Hotel is located downtown near the convention centre and "Old Town" historic Sacramento. Rooms offer luxurious perks such as The Westin Heavenly® signature mattress, a deep-soaking claw-foot tub, and Westin Signature amenities in the bathroom. The Hotel is also ideal for meetings or business events with 9,000 sq ft of versatile space and scenic location along the Sacramento River. The Hotel is located 11 miles (within 15-minute drive) from Sacramento International Airport.

The Hotel comprises three stories. Parking facilities include 207 spaces for limited complimentary self-parking and valet parking. The Westin Sacramento offers a variety of room options ranging from 379 sq ft to 997 sq ft.

Room Type	Size (sq ft)	Room Count
Presidential	997	2
Junior Suite	468-579	8
Premium Corner	490	2
Traditional Parkview	379-430	48
Premium Riverview	417-468	36
Accessible Queen	379	5
Total		**101**

Property Photos

Meeting and Conference Facilities

The Westin Sacramento has a total of six meeting rooms and offers approximately 9,000 sq ft of versatile meeting space:

Venue	Size (sq ft)	Capacity[(1)]
Gran Monaco	2,788	270
Portofino Tent (Seasonal)	2,500	200
Monaco II	1,938	192
Monaco I	830	80
The Tower Room	500	55
The Siena Boardroom	195	10

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

Scott's Seafood on the River serves breakfast, lunch and dinner, while offering riverfront views, with a capacity for 360 people.

Recreational and Other Facilities

The Westin Sacramento offers guests a fitness centre, an outdoor heated pool, a spa, as well as outdoor fire pits and bocce ball courts.

Summary of Selected Information

The table below sets out a summary of selected information on The Westin Sacramento.

Completion Date	2008
Completion Date of Last Renovation	December 2015
Land Tenure	Freehold
Type of Hotel	Upper Upscale
Brand Franchisor	Marriott
Approximate GFA (sq m)	7,935
Number of Available Rooms	101
Carpark Lots	207
RevPAR (FY2018) (US$)	167.6
Adopted Value by Colliers (as at 31 December 2018)	US$37.6 million
Adopted Value by HVS (as at 31 December 2018)	US$43.6 million
Adopted Valuation	US$43.6 million
Purchase Consideration	US$38.2 million
Master Lessor	Urban Commons Riverside Blvd. A, LLC

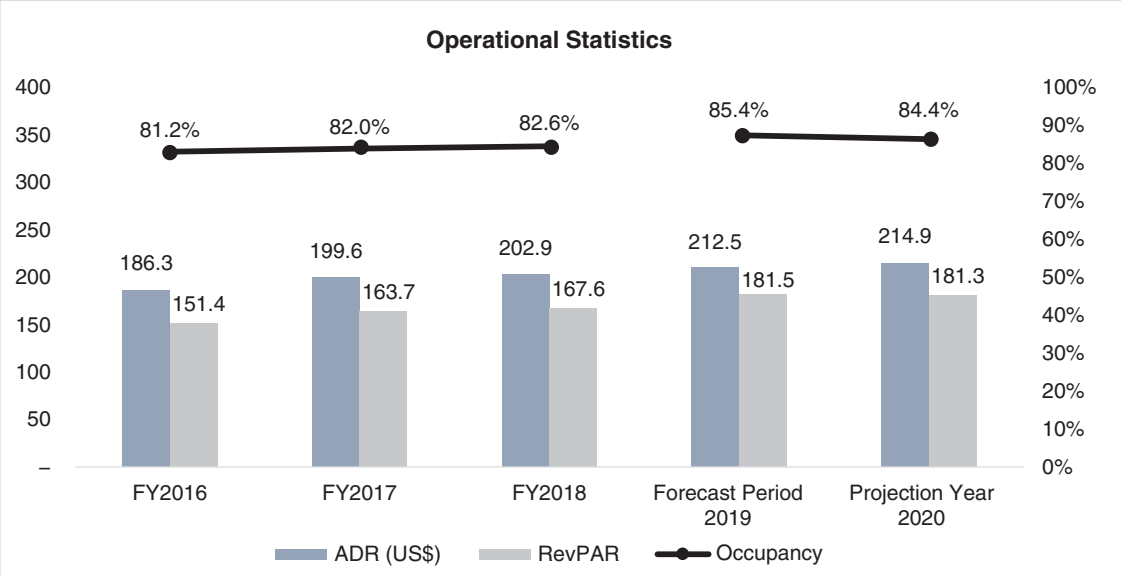
Master Lessee	EHT WSAC, LLC
Master Lease Tenure	20+14 years
Master Lease Rental	Fixed rent: US$1.6 million Variable rent: 23.0% of GOR plus 22.0% of GOP minus Fixed Rent
Variable Rent for the Forecast Period 2019	US$0.6 million
Variable Rent for the Projection Year 2020	US$0.9 million
CIF Reserve	4.0% of Room Revenue

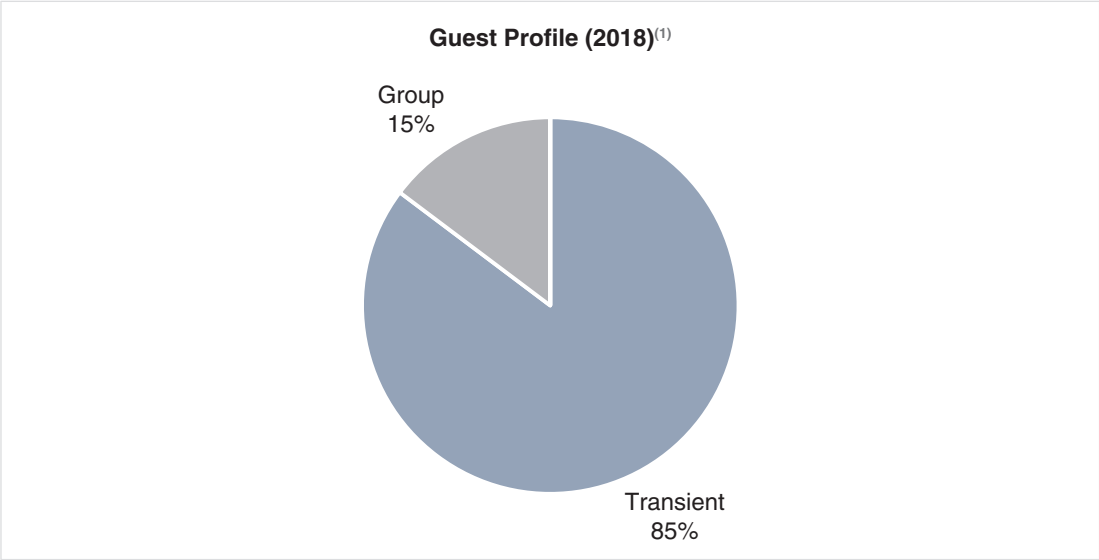
Asset Management Initiatives

A renovation of the Hotel's guestrooms was last completed in December 2015 together with a conversion into a Westin. The US$2.7 million renovation also included replacements of the Hotel's soft furnishings.

Operating Statistics

The following charts show certain information on the operations of The Westin Sacramento, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile by room revenue.





Note:

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EMBASSY SUITES BY HILTON PALM DESERT
74-700 Highway 111, Palm Desert, California 92260

Description

Embassy Suites by Hilton Palm Desert is a 198-room hotel, located only 12 miles from Palm Springs, a prominent Southern California resort city famed for its vibrant restaurants, nightlife, and events. The Hotel's spacious suites feature a private bedroom and separate living area furnished with a sofa bed, work desk, wet bar, refrigerator, microwave, and coffeemaker. The Hotel is located 11 miles (within 20-minute drive) from Palm Springs International Airport.

The Hotel has three floors and offers a unique layout with an open courtyard, outdoor pool, lawn size chess or checkers area, and outdoor sitting spaces. Parking facilities include 323 parking spaces.

Embassy Suites by Hilton Palm Desert offers a variety of room options ranging from 550 sq ft to 775 sq ft.

Room Type	Size (sq ft)	Room Count
Executive King Suite	775	5
Executive Queen Suite	775	5
King Suite	550	63
Queen Suite	550	117
Accessible King Rooms only	550	8
Total		**198**

Property Photos

Meeting and Conference Facilities

The Hotel has a total of seven meeting rooms with a total meeting space of approximately 7,000 sq ft. The following table sets out the size and capacity of the meeting and conference facilities in the Hotel.

Venue	Size (sq ft)	Capacity[1]
Salon I	1,662	100
Salon I A	832	50
Salon I B	832	50
Salon II	1,662	100
Salon III	1,662	100
Salon IV	1,662	100
Salon IV A	832	50
Salon IV B	832	50
Boardroom	332	14

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

Dining options at the Hotel include (i) Sonoma Grille Restaurant, a restaurant which serves California cuisine with a capacity for 237 people, and (ii) Sonoma Grille, with a capacity for 50 people. Guests may enjoy complimentary cooked-to-order breakfast, and appetizers and beverages at the nightly evening reception. The Hotel also offers room service, poolside service and has a gift shop.

Recreational and Other Facilities

The Hotel offers a 24-hour business centre, a variety of cardio and weight training equipment, ice machine, and an outdoor heated swimming pool.

Summary of Selected Information

The table below sets out a summary of selected information on Embassy Suites by Hilton Palm Desert.

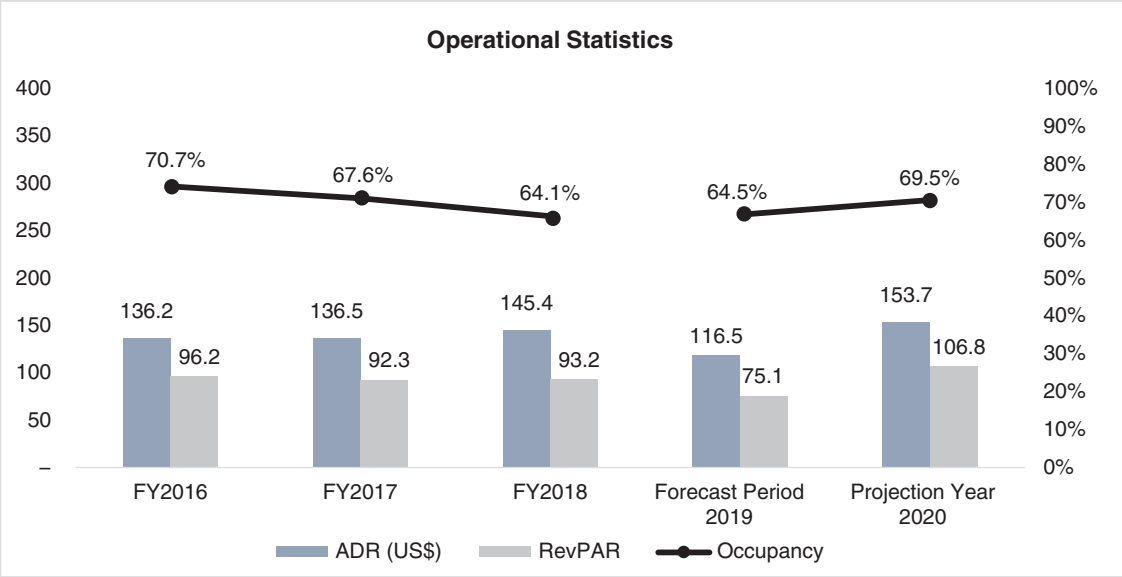
Completion Date	1984
Completion Date of Last Renovation	February 2018
Land Tenure	Freehold
Type of Hotel	Upper Upscale
Brand Franchisor	HWHI
Approximate GFA (sq m)	16,240
Number of Available Rooms	198
Carpark Lots	323
RevPAR (FY2018) (US$)	93.2
Adopted Value by Colliers (as at 31 December 2018)	US$30.4 million
Adopted Value by HVS (as at 31 December 2018)	US$32.1 million
Adopted Valuation	US$32.1 million
Purchase Consideration	US$28.1 million
Master Lessor	Urban Commons Highway 111 A, LLC
Master Lessee	EHT ESPD, LLC
Master Lease Tenure	20+14 years
Master Lease Rental	Fixed rent: US$1.4 million Variable rent: 18.0% of GOR plus 17.0% of GOP minus Fixed Rent
Variable Rent for the Forecast Period 2019	US$0.0 million
Variable Rent for the Projection Year 2020	US$0.6 million
CIF Reserve	4.0% of Room Revenue

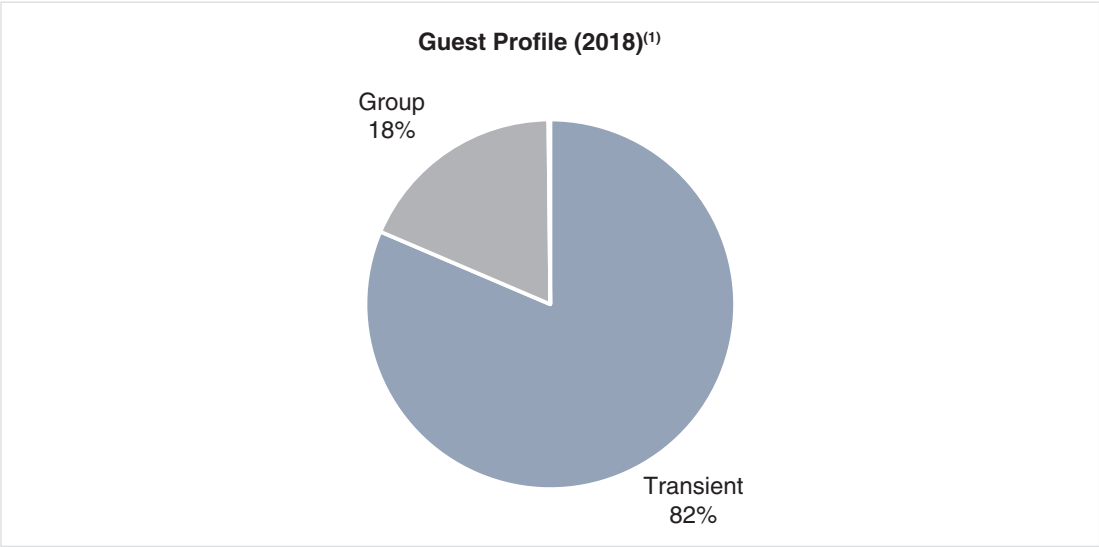
Asset Management Initiatives

The Hotel underwent a renovation programme in late 2013, which was completed in February 2018 at a cost of US$9.0 million. All guest rooms have been refurbished. Public and outdoor spaces have also been upgraded to enhance the guests' experience. A new manager for the Hotel was appointed by the Sponsor.

Operating Statistics

The following charts show certain information on the operations of Embassy Suites by Hilton Palm Desert, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile by room revenue.





Note:

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THE QUEEN MARY LONG BEACH
1126 Queens Hwy, Long Beach, California 90802

Description

The Queen Mary Long Beach is a landmark Southern California attraction and special event venue surrounding a 347-room hotel and banquet facility aboard the historic British ocean liner. The Queen Mary Long Beach is located in the harbour of downtown Long Beach, California, near Los Angeles. The Property also contains the following sites adjacent to the ocean liner, being the Carnival Cruise Line Terminal, private heliport, and Catalina Cruise Marina offering day tours to the Catalina Islands. The Property both puts on and hosts prominent events, such as annual winter event and a Halloween event that enjoy significant and consistent community support. More recently, following an agreement with Goldenvoice, a large-scale concert promoter, the property has started to host numerous sizeable concerts since 2018. The contract with Goldenvoice is worth a minimum of US$1.25 million per annum with additional fees payable per event held. The Property is within walking distance to the Aquarium of the Pacific and The Pike Outlets, a shopping and dining destination featuring over 344,000 sq ft of retailers, entertainment options, and restaurants. The Property is also within walking distance to the Parker's Lighthouse and Long Beach Convention Center. The Property is located five miles (within 15-minute drive) from Long Beach Airport, the nearest sizeable airport, and 18 miles (within 35-minute drive) from Los Angeles International Airport.

The Property comprises 12 decks with hotel rooms on the sixth to eighth decks. Parking facilities include 1.3 million sq ft of space adjacent to the ship with 1,600 parking spaces.

The Queen Mary Long Beach offers a variety of room options ranging from 175 sq ft to 930 sq ft.

Room Type	Size (sq ft)	Room Count
Inside Stateroom with 2 Twin Beds	175	22
Inside Stateroom with 1 King Bed	175	18
Standard Room with 1 Full Size Bed	235	43
Deluxe Stateroom with 2 Twin Beds	260	58
Deluxe Stateroom with 1 King Bed	260	65
Harbor View Deluxe King	260	79
Family Stateroom with 2 Queen Beds	350	21
Family Room with King and Twin Bed	400	22
Mini Suite	410	7
Full Suite	930	8
B340 Suite	600	1
ADA Accessible Rooms	250	3
Total		**347**

Property Photos

Meeting and Conference Facilities

The Queen Mary Long Beach has a total meeting space of approximately 80,000 sq ft. The following table sets out the size and capacity of the meeting and event facilities in the Hotel.

Venue	Size (sq ft)	Capacity[1]
Exhibit Hall (3 floors)	45,000	2,500
D Deck	18,000	500
F Deck	15,000	500
E Deck	12,000	600
Grand Salon	9,000	700
Britannia Salon and Deck	7,500	500
Queens Salon	4,600	360
Royal Salon and King's View	3,436	350
Royal Salon	2,176	250
King's View	1,260	100
Windsor Salon	3,100	280
The Tea Room	2,691	120
Capstan Club & Deck	2,000	180
Mauretania Room	1,900	230

Venue	Size (sq ft)	Capacity[1]
Verandah Grill and Deck	1,900	180
Board Room	720	70
Victoria Room	600	50
Regent Room	522	40

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

The Hotel offers three restaurants, including the Promenade Café, the Chelsea Chowder House and Sir Winston's Restaurant. Promenade Café serves breakfast and lunch with a capacity for 191 people. Chelsea Chowder House serves dinner with a capacity for 160 people. Sir Winston's Restaurant is a fine dining restaurant with a capacity for 214 people (including Sir Winston's Lounge). The Hotel has additional food options including the Mid-Ship Market Place and the Grand Salon. Mid-Ship Market Place features quick-serve breakfast and lunch items such as muffins, scones and sandwiches. For the leisure travellers and locals, the Hotel offers an award-winning champagne brunch on Sundays in the Grand Salon on weekends and public holidays. The Hotel has three bars, including the CCH Bar, Sir Winston's Lounge, and the Observation Bar.

Recreational and Other Facilities

The Hotel offers many activities for guests, such as the afternoon Captain's Reception, where the Commodore (Captain) will give a welcome reception for guests and provide an overview/history of The Queen Mary Long Beach. There are also weekend yoga classes, a 24-hour Fitness gym, and spa. The Hotel features numerous retail options, tours, and galleries.

On the adjacent land next to the ship, The Queen Mary Long Beach offers year-round musical concerts, special events and festivals organised by Goldenvoice (founder of the renowned Coachella Music Festival), as well as the annual winter event and the annual Halloween event that enjoy significant and consistent community support. Excluding parking, the revenue from these events and other attractions contributed between 25-30% of The Queen Mary Long Beach's revenue in any given year.

Summary of Selected Information

The table below sets out a summary of selected information on The Queen Mary Long Beach.

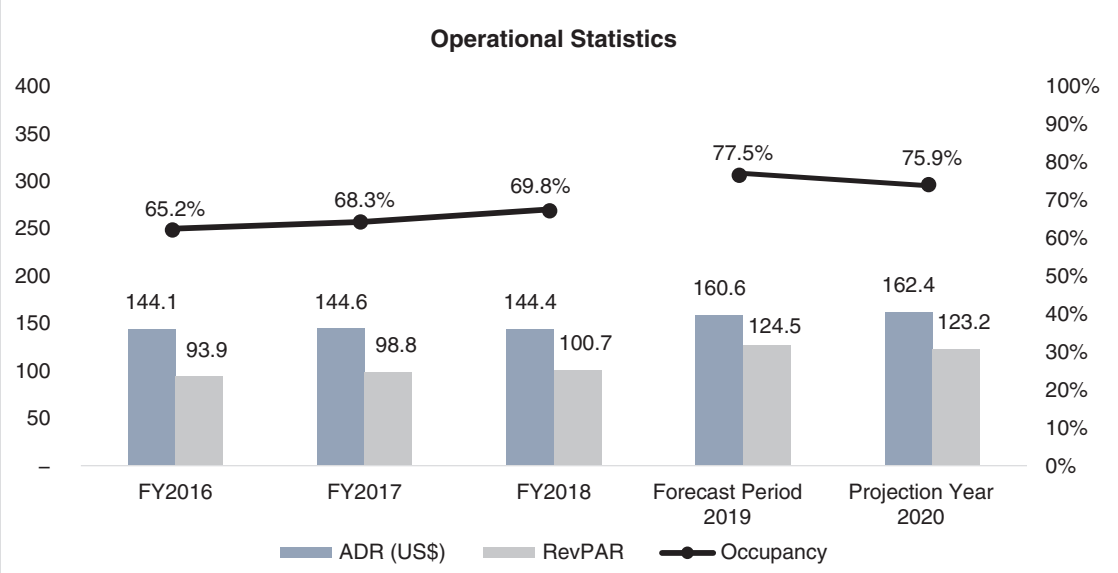
Completion Date	1936
Completion Date of Last Renovation	December 2018
Land tenure	66 years from 1 November 2016
Type of Hotel	Upscale
Brand Franchisor	Independently Operated
Approximate GFA (sq m)	92,900
Number of Available Rooms	347
Carpark Lots	1,600
RevPAR (FY2018) (US$)	100.7
Adopted Value by Colliers (as at 31 December 2018)	US$179.7 million
Adopted Value by HVS (as at 31 December 2018)	US$159.4 million
Adopted Valuation	US$159.4 million
Purchase Consideration	US$139.7 million
Master Lessor	Urban Commons Queensway, LLC
Master Lessee	EHT QMLB, LLC
Master Lease Tenure	20+14 years
Master Lease Rental	Fixed rent: US$10.4 million Variable rent: 8.0% of GOP
Variable Rent for the Forecast Period 2019	US$1.5 million
Variable Rent for the Projection Year 2020	US$1.8 million
CIF Reserve	2% of Total Revenue in 2019 and 3% of Total Revenue in 2020 onwards
Hotel Manager	Evolution Hospitality

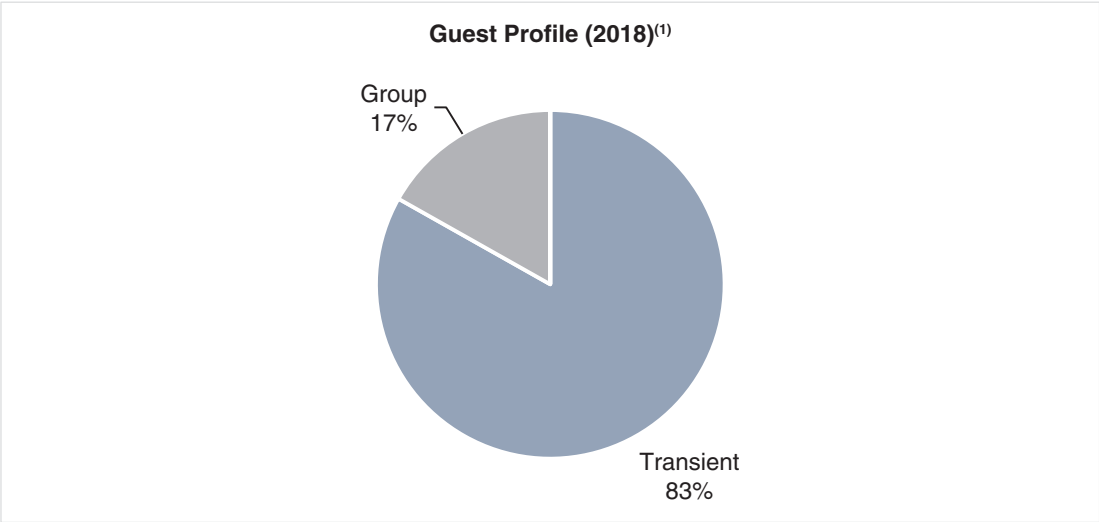
Asset Management Initiatives

The Sponsor negotiated a revised ground lease with the City of Long Beach (collectively with two other ground leases for adjacent land and water from the City of Long Beach and/or Port of Long Beach, the "**Queen Mary Ground Lease**") extending the term significantly, and ensured early capital expenditure contributions of US$23.5 million from the City of Long Beach, to reopen and repurpose unutilised public and revenue-generating spaces, including restaurants and event venues, as well as perform structural works on the ship. The property also benefitted from a revised and more favourable split of parking revenues, to receive 50% of the net income of a parking garage sub-leased to Carnival Cruise Line. The Sponsor also expanded its events revenue stream by securing a contract with Goldenvoice. In addition, Sponsor has begun the planning and entitlement process for a large-scale retail and entertainment centre on the surrounding lands, which once approved could provide EH-REIT with incremental rental income through a sub-lease opportunity to a third-party developer or to the Sponsor.

Operating Statistics

The following charts show certain information on the operations of The Queen Mary Long Beach, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile by room revenue.





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RENAISSANCE DENVER STAPLETON
3801 Quebec Street, Denver, Colorado 80207

Description

The Renaissance Denver Stapleton features 400 guestrooms and is conveniently located to local attractions such as the Denver Zoo, Denver Museum of Nature and Science, and Dicks Sporting Goods Park (home ground of the Colorado Rapids, a professional soccer team competing in Major League Soccer). The Hotel is located 13 miles (within 20-minute drive) from Denver International Airport. It is one of six venues in Colorado that are IACC (International Association of Conference Centres) certified, which ranks the top 1% of small and medium sized meeting venues in the world for arranging unique events, meetings and conferences.

The atrium-style Hotel comprises 12 stories. An adjacent parking structure includes 500 covered parking spaces.

Renaissance Denver Stapleton offers a variety of room options ranging from 450 sq ft to 1800 sq ft.

Room Type	Size (sq ft)	Room Count
King	450	203
Queen/Queen	450	185
Junior Suite	600	4
Executive Suite	650	4
Hospitality Suite	900	2
Governors Suite	900	1
Presidential Suite	1,800	1
Total		**400**

Property Photos

Meeting and Conference Facilities

Renaissance Denver Stapleton has up to 26 meeting rooms with a total meeting space of over 29,000 sq ft. The following table sets out the size and capacity of the meeting and conference facilities in the Hotel.

Venue	Size (sq ft)	Capacity[1]
Colorado Ballroom	11,700	1,100
Colorado Ballroom C	2,784	250
Colorado Ballroom B	2,496	200
Colorado Ballroom D	2,436	200
Colorado Ballroom A	2,184	200
Telluride	2,700	200
Telluride A	1,710	100
Telluride B	990	69
Aspen	2,010	150
Vail	1,400	100
Big Thompson	1,170	100
Platte River	1,014	80
Clear Creek	850	80
Durango	720	60
Steamboat	720	60
Cherry Creek	630	50
Bennett Peak	540	50
Blanca Peak	540	50
Grays Peak	540	50
Longs Peak	540	50
Maroon Peak	540	50
Pike's Peak	540	50
Boulder Creek	532	50
Breckenridge	520	40
Snowmass	520	40
Winterpark	520	40
Capitol Peak	416	20
Kingston Peak	416	20

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

The Hotel offers a three-meal restaurant, Fifty300, with a capacity for 214 people, and a bar at the lobby, Elevate Lounge, with a capacity for 65 people. The Hotel also has a Starbucks cafe. The Hotel offers guests 24-hour room service and a gift shop at the lobby.

Recreational and Other Facilities

The Hotel offers a 24-hour business centre, a variety of cardio and weight training equipment in a 24-hour fitness centre, and an indoor and outdoor swimming pool and hot tub.

Summary of Selected Information

The table below sets out a summary of selected information on Renaissance Denver.

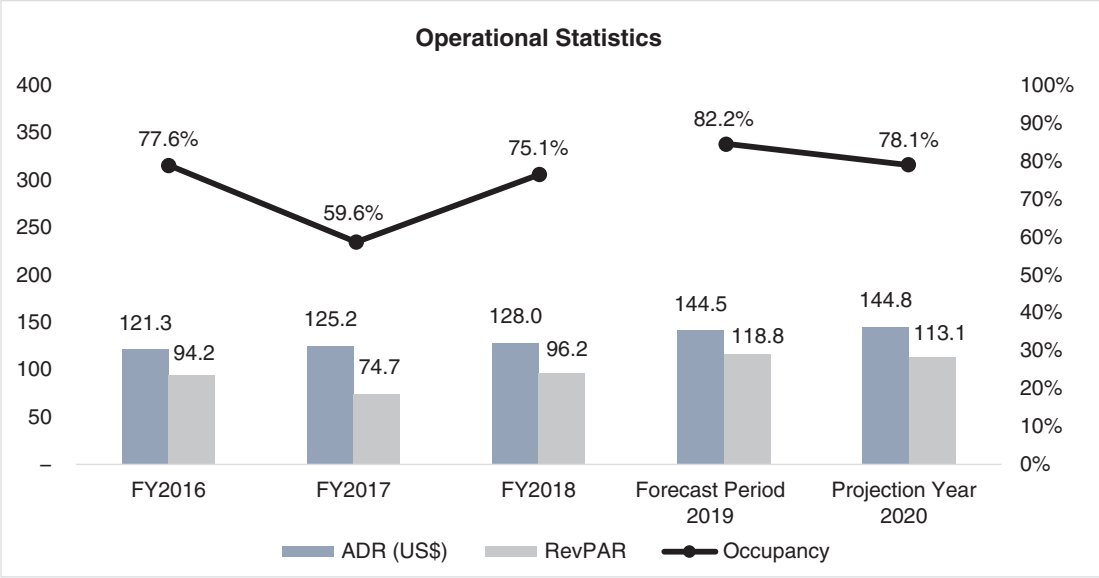
Completion Date	1985
Completion Date of Last Renovation	September 2018
Land Tenure	Freehold
Type of Hotel	Upper Upscale
Brand Franchisor	Marriott
Approximate GFA (sq m)	35,685
Number of Available Rooms	400
Carpark Lots	500
RevPAR (FY2018) (US$)	96.2
Adopted Value by Colliers (as at 31 December 2018)	US$81.8 million
Adopted Value by HVS (as at 31 December 2018)	US$88.2 million
Adopted Valuation	US$88.2 million
Purchase Consideration	US$77.3 million
Master Lessor	UCRDH, LLC
Master Lessee	EHT RDH, LLC
Master Lease Tenure	20+20 years
Master Lease Rental	Fixed rent: US$3.9 million Variable rent: 17.0% of GOR plus 24.0% of GOP minus Fixed Rent
Variable Rent for the Forecast Period 2019	US$1.7 million
Variable Rent for the Projection Year 2020	US$2.2 million
CIF Reserve	4.0% of Room Revenue

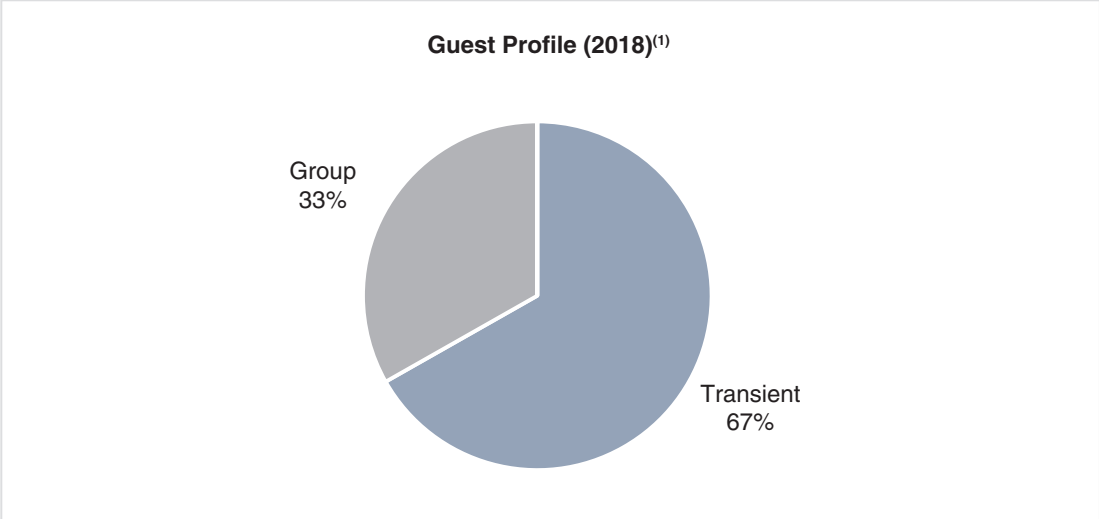
Asset Management Initiatives

The Hotel underwent a US$16.8 million refurbishment programme between May 2017 and September 2018. All guestrooms, meeting space, the hotel lobby and restaurants were fully renovated enabling the Hotel to secure a new airline contract. Also, a new manager for the Hotel was appointed by the Sponsor.

Operating Statistics

The following charts show certain information on the operations of Renaissance Denver, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile by room revenue.





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HOLIDAY INN DENVER EAST – STAPLETON
3333 Quebec Street, Denver, Colorado 80207

Description

The Holiday Inn Denver East – Stapleton features 298 rooms and is conveniently located to local attractions such as the Denver Zoo, Denver Museum of Nature and Science, and Dicks Sporting Goods Park (home ground of the Colorado Rapids, a professional soccer team competing in Major League Soccer). The Hotel is located 13 miles (within 20-minute drive) from Denver International Airport.

The atrium-style Hotel comprises of 11 stories. It has an underground parking garage with 150 spaces accessible to hotel guests.

Holiday Inn Denver East – Stapleton offers two room options:

Room Type	Size (sq ft)	Room Count
King	350	219
Queen/Queen	350	79
Total		**298**

Property Photos

Meeting and Conference Facilities

Holiday Inn Denver East – Stapleton has up to 18 meeting rooms with a total meeting space of approximately 13,000 sq ft. The following table sets out the size and capacity of the meeting and conference facilities in the Hotel.

Venue	Size (sq ft)	Capacity[1]
Denver Ballroom	3,240	400
Denver 1	1,080	120
Denver 2	1,080	120
Denver 3	1,080	120
Atrium Boardrooms	3,120	210
605	520	35
705	520	35
805	520	35
905	520	35
1005	520	35
1105	520	35
Boulder Ballroom	2,800	300
Boulder 1	1,720	150
Boulder 2	1,080	100
Fort Collins	675	60
Cherry Creek	648	40
Aspen	520	35
Keystone	520	35
Vail	520	35
Winterpark	520	35
Golden	500	40

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

The Hotel offers a three-meal full service casual restaurant, Burgers and Crafts, with a capacity for 134 people. The Hotel also offers room service and a lobby gift shop.

Recreational and Other Facilities

The Hotel offers a 24-hour business centre, a variety of cardio and weight training equipment in a 24-hour fitness centre, and a heated outdoor swimming pool and hot tub.

Summary of Selected Information

The table below sets out a summary of selected information on Holiday Inn Denver East – Stapleton.

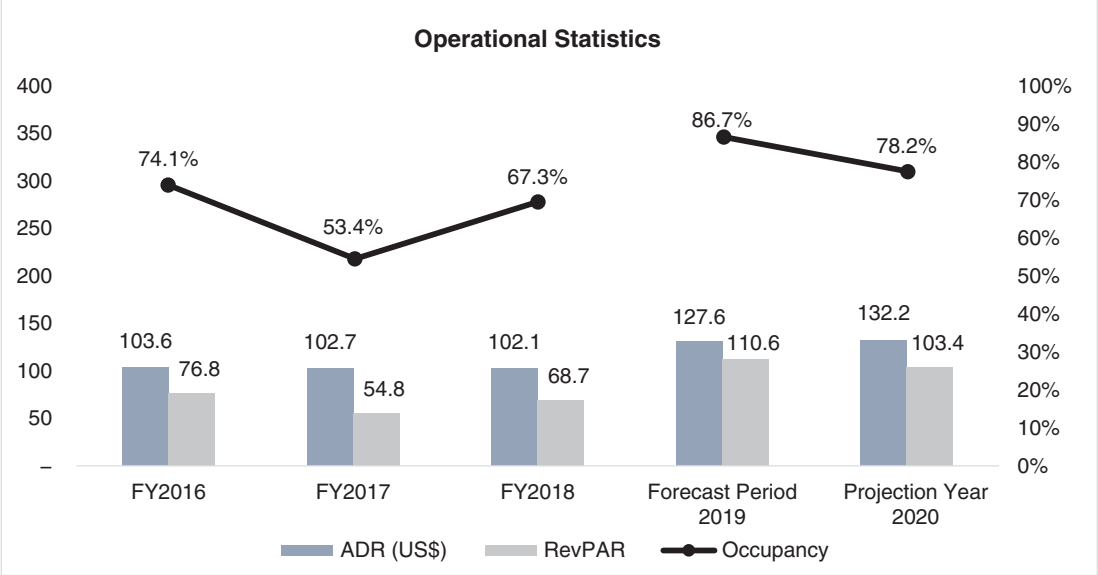
Completion Date	1973
Completion Date of Last Renovation	September 2018
Land Tenure	Freehold
Type of Hotel	Upper Midscale
Brand Franchisor	IHG
Approximate GFA (sq m)	19,350
Number of Available Rooms	298
Carpark Lots	150
RevPAR (FY2018) (US$)	68.7
Adopted Value by Colliers (as at 31 December 2018)	US$44.3 million
Adopted Value by HVS (as at 31 December 2018)	US$50.6 million
Adopted Valuation	US$50.6 million
Purchase Consideration	US$44.4 million
Master Lessor	UCHIDH, LLC
Master Lessee	EHT HIDH, LLC
Master Lease Tenure	20+20 years
Master Lease Rental	Fixed rent: US$2.3 million Variable rent: 20.0% of GOR plus 22.0% of GOP minus Fixed Rent
Variable Rent for the Forecast Period 2019	US$1.0 million
Variable Rent for the Projection Year 2020	US$1.2 million
CIF Reserve	4.0% of Room Revenue

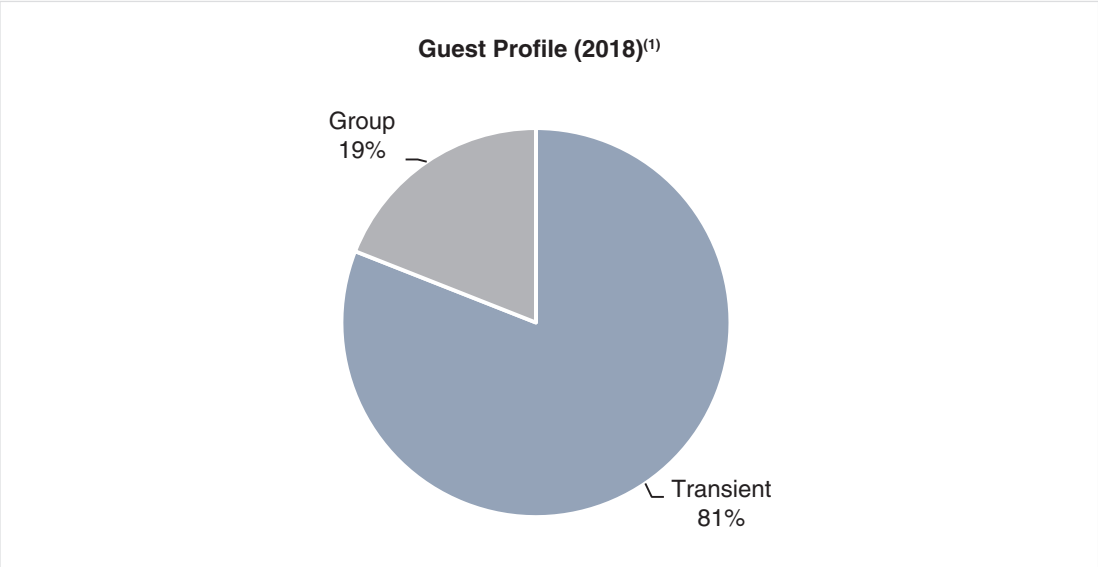
Asset Management Initiatives

The Hotel underwent a US$10.9 million renovation programme from May 2017 to September 2018. All rooms, meeting space, the hotel lobby and restaurants were fully-renovated. Leveraging on the enhancements, the Hotel was able to secure new airline contracts. Also, a new manager for the Hotel was appointed by the Sponsor.

Operating Statistics

The following charts show certain information on the operations of Holiday Inn Denver East – Stapleton, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile by room revenue.





Note:

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SHERATON DENVER TECH CENTER
7007 South Clinton Street, Greenwood Village, Colorado 80112

Description

Sheraton Denver Tech Center has 263 rooms, and is close to the Denver Technological Center, a technology-focused business and economic hub. Other regional attractions include Downtown Denver, and outdoor activities at the Pikes Peak mountain area. The Hotel is located 22 miles (within 30-minute drive) from Denver International Airport.

The Hotel comprises 10 stories. Parking facilities include 292 parking spaces.

Sheraton Denver Tech Center offers a variety of room options ranging from 300 sq ft to 600 sq ft.

Room Type	Size (sq ft)	Room Count
Kings	300	165
Double – Double	300	95
Suites	600	3
Total		**263**

Property Photos

Meeting and Conference Facilities

Sheraton Denver Tech Center has 13 meeting rooms with a total meeting space of approximately 14,350 sq ft. The following table sets out the size and capacity of the meeting and conference facilities in the Hotel.

Venue	Size (SF)	Capacity[1]
Ballroom	5,040	600
Harvard	1,620	200
Princeton	1,620	200
Oxford	870	60
Yale	870	60
Bierstadt	750	45
Columbia	750	45
Elbert	500	40
Evans 1	500	40
Evans 2	500	40
Lincoln	500	40
Pike's Peak Boardroom	450	12
Snowmass Boardroom	380	10

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on. Boardroom capacities are based on conference room setting.

F&B Facilities

Dining options at the Hotel include (i) Redfire Restaurant, a full-service three meal restaurant featuring a wide variety of entrees, with a capacity for 70 people, and (ii) Redfire Bar, with a capacity for 44 people. Also available for guests is Link Café, a snack shop with a variety of options including Starbucks coffee and others.

Recreational and Other Facilities

The Hotel consists of one tower containing rooms, meeting space, and all of the Hotel's amenities. The ground floor comprises of the hotel lobby, business centre, meeting space, restaurant, kitchen, lounge/bar, outdoor heated pool and lounge deck area, exercise room, executive offices and ample back-of-house space.

Summary of Selected Information

The table below sets out a summary of selected information on Sheraton Denver Tech Center.

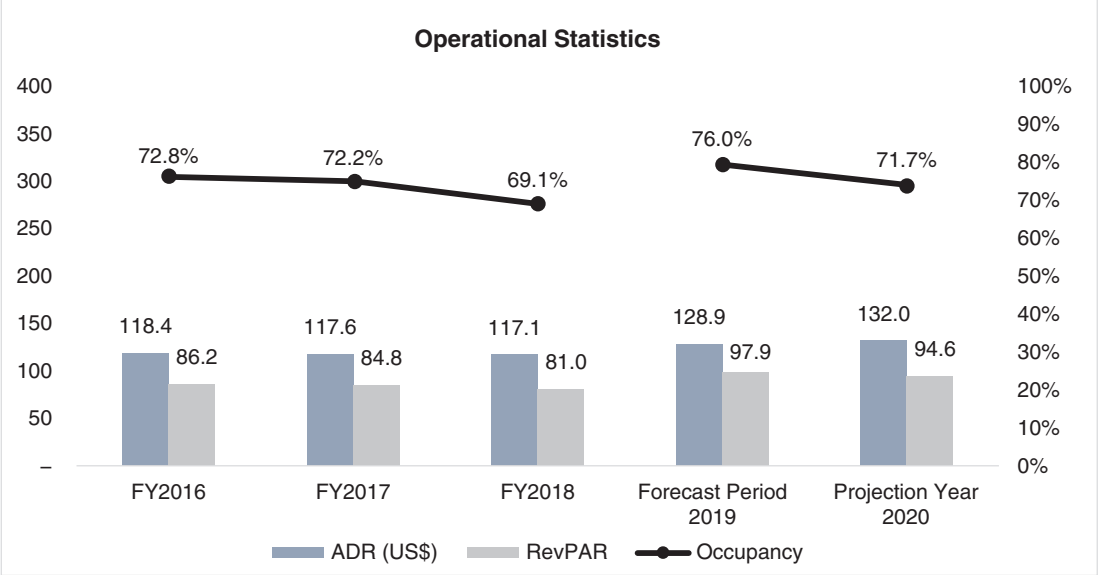
Completion Date	1985
Completion Date of Last Renovation	December 2013
Land Tenure	Freehold
Type of Hotel	Upper Upscale
Brand Franchisor	Marriott
Approximate GFA (sq m)	15,360
Number of Available Rooms	263
Carpark Lots	292
RevPAR (FY2018) (US$)	81.0
Adopted Value by Colliers (as at 31 December 2018)	US$31.3 million
Adopted Value by HVS (as at 31 December 2018)	US$31.7 million
Adopted Valuation	US$31.7 million
Purchase Consideration	US$27.8 million
Master Lessor	Sky Harbor Denver Tech Center LLC
Master Lessee	EHT SDTC, LLC
Master Lease Tenure	20+20 years
Master Lease Rental	Fixed rent: US$1.8 million Variable rent: 16.0% of GOR plus 18.0% of GOP minus Fixed Rent
Variable Rent for the Forecast Period 2019	US$0.6 million
Variable Rent for the Projection Year 2020	US$0.8 million
CIF Reserve	4.0% of Room Revenue

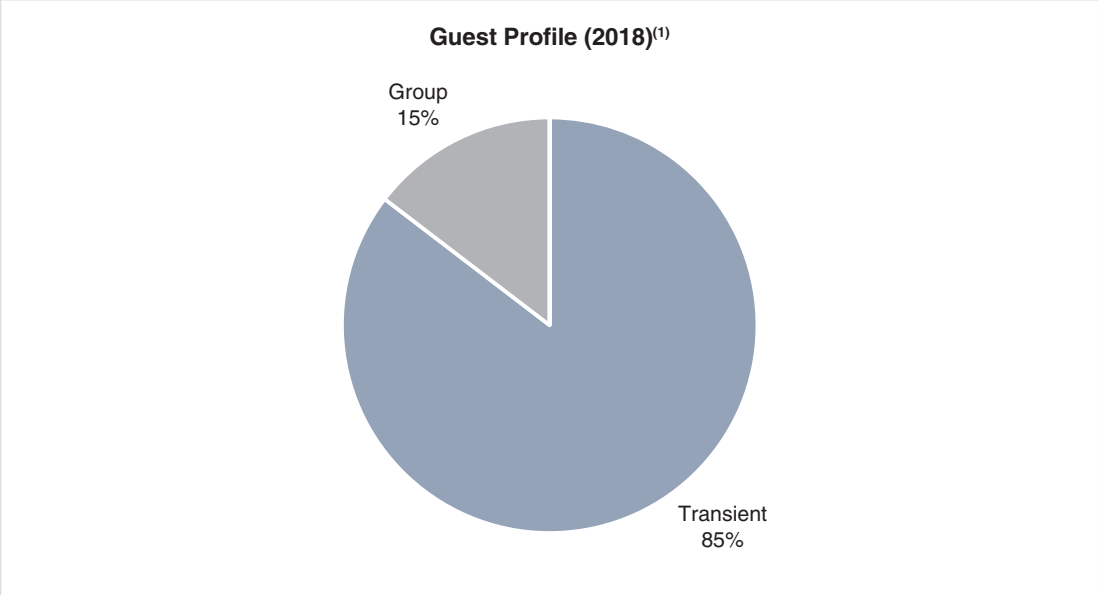
Asset Management Initiatives

A US$3.6 million renovation to upgrade the rooms, lobby, reception, meeting spaces, Café Grab and Go and the bar were completed in December 2013. Additionally in 2018, stronger sales and executive teams were put in place, and they continue to execute their sales strategy of ramping up the group business, in the rooms and catering segments. Starting in 2019 to 2021, the Property is expected to undergo a US$2.5 million update to the room furnishings along with renovations to the lobby and bar.

Operating Statistics

The following charts show certain information on the operations of Sheraton Denver Tech Center, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile by room revenue.





Note:

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HOLIDAY INN RESORT ORLANDO SUITES – WATERPARK
14500 Continental Gateway Drive, Orlando, Florida 32821

Description

The Holiday Inn Resort Orlando Suites – Waterpark, formerly the Nickelodeon Suites Resort, is within a 10-minute drive from the entrance of the Walt Disney World Resort's Magic Kingdom and central to the other Disney theme parks, and is proximate to several of Disney Springs shopping, dining and entertainment destinations. It is within five to 10 miles from major Orlando attractions such as Universal Orlando and SeaWorld Orlando and multiple shopping and dining options. The Hotel offers 777 suite accommodations, each having a living area, private bedroom with a single queen or king bedroom and majority of the rooms have an open alcove that offers a kid-friendly area with a bunk bed (double on bottom, twin on top). The Hotel is located 14 miles (within 20-minute drive) from Orlando International Airport.

Holiday Inn Resort Orlando Suites – Waterpark has 14 guest room buildings – five buildings are six floors each, five buildings are five stories each, and four buildings are four stories each. There are two other buildings that respectively house the lobby and Marketplace; which has most of the resort's food and beverage outlets, and entertainment venues. The entertainment venues include a 3,000 sq ft arcade, 4D Theatre, laser challenge attraction and the Celebration Theatre. The Hotel has parking facilities for 850 vehicles.

Holiday Inn Resort Orlando Suites – Waterpark offers a variety of room options ranging from 475 sq ft to 950 sq ft.

Room Type	Size (sq ft)	Room Count
King Suite	475	47
Family Suite with Bunk Bed	485	700
Two Bedroom Suite with Bunk Bed	950	30
Total		**777**

Property Photos

Meeting and Conference Facilities

Holiday Inn Resort Orlando Suites – Waterpark has one meeting room with meeting space of 3,927 sq ft. In addition, the Hotel also has the Celebration Theatre that can be used as additional space for functions. The following table sets out the size and capacity of the meeting and conference facilities in the Hotel.

Venue	Size (sq ft)	Capacity[1]
Buena Vista Room	3,927	250
Celebration Theatre	2,223	180

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

Dining options at the Hotel include (i) Lakeside Café, a two-meal buffet style restaurant with a capacity for 261 people, (ii) Lagoon Bar and Grill, a three-meal American restaurant with free-seating around the Lagoon pool, and (iii) a food court with options such as Subway, Cravings (which serves coffee, pastries & beverages), Antonio's Pizza, Hershey's Ice Cream Shoppe, and the Hideaway Lounge. The Hotel also offers room service (breakfast and dinner only) and a convenience store.

Recreational and Other Facilities

On-site recreational activities and amenities include the Lagoon Waterpark, offering seven slides and a splash zone, family pool areas, a fitness centre and 24-hour business centre.

Summary of Selected Information

The table below sets out a summary of selected information on Holiday Inn Resort Orlando Suites – Waterpark.

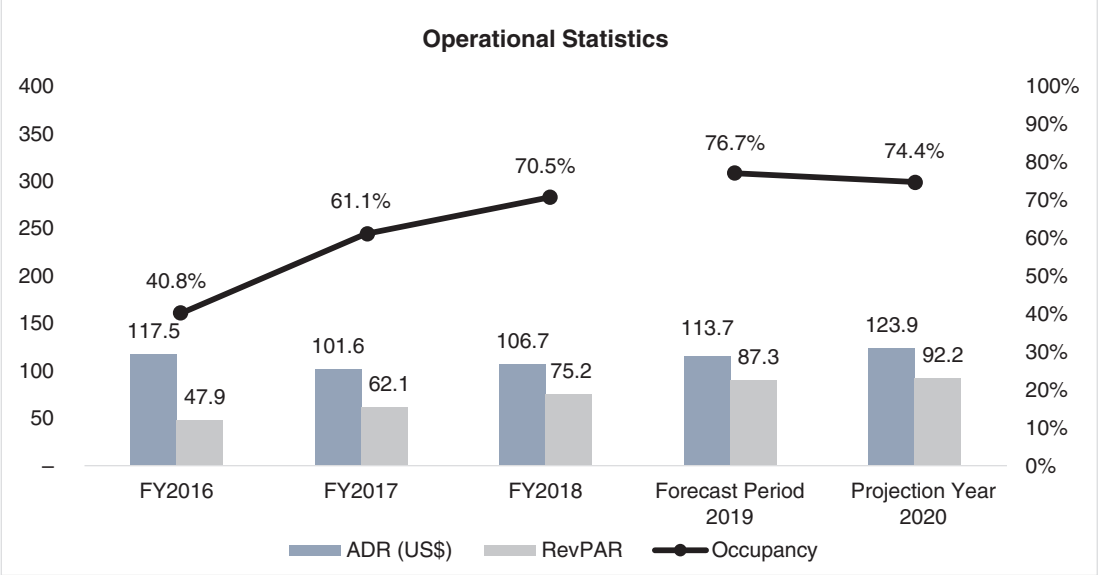
Completion Date	1999
Completion Date of Last Renovation	August 2018
Land Tenure	Freehold
Type of Hotel	Upper Midscale
Brand Franchisor	IHG
Approximate GFA (sq m)	55,730
Number of Available Rooms	777
Carpark Lots	850
RevPAR (FY2018) (US$)	75.2
Adopted Value by Colliers (as at 31 December 2018)	US$170.7 million
Adopted Value by HVS (as at 31 December 2018)	US$162.8 million
Adopted Valuation	US$162.8 million
Purchase Consideration	US$142.7 million
Master Lessor	UCCONT1, LLC
Master Lessee	EHT HIOR, LLC
Master Lease Tenure	20+20 years
Master Lease Rental	Fixed rent: US$7.5 million Variable rent: 19.0% of GOR plus 22.0% of GOP minus fixed rent
Variable Rent for the Forecast Period 2019	US$3.4 million
Variable Rent for the Projection Year 2020	US$5.0 million
CIF Reserve	4.0% of Room Revenue

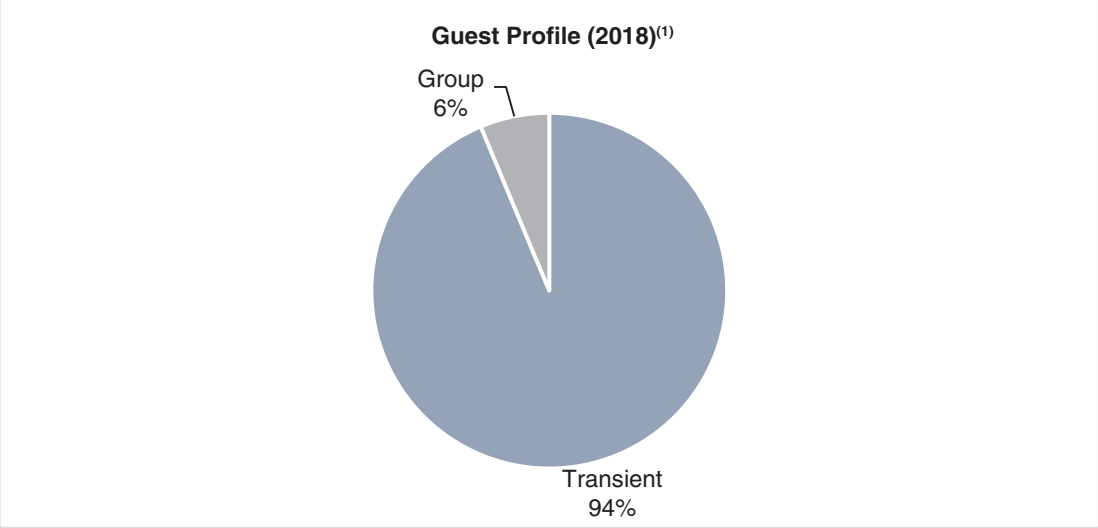
Asset Management Initiatives

The Hotel has completed a US$27.5 million full-scale renovation in August 2018. The renovation which began in early 2015 successfully converted the Hotel from a Nickelodeon-branded hotel to a Holiday Inn brand franchise. The rebranding has broadened the Hotel's customer base from having predominantly family and leisure segments previously, to group, tour and business travel segments. As a result, the impact of seasonality on the Hotel's business has been reduced. Also, a new manager for the Hotel was appointed by the Sponsor.

Operating Statistics

The following charts show certain information on the operations of Holiday Inn Resort Orlando Suites – Waterpark, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile by room revenue.





Note:

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CROWNE PLAZA DALLAS NEAR GALLERIA-ADDISON
14315 Midway Road, Addison, Texas 75001

Description

Crowne Plaza Dallas Near Galleria-Addison, is a 428-room hotel located only 12 miles from Downtown Dallas. The Property is located two miles (within five-minute drive) from Addison Airport, the nearest sizeable airport, and 12 miles (within 20-minute drive) from Dallas Fort-Worth International Airport.

The Hotel comprises four stories, as well as a parking facility with 630 parking lots.

Crowne Plaza Dallas Near Galleria-Addison offers a variety of room options ranging from 294 to 615 sq ft.

Room Type	Size (sq ft)	Room Count
2 Double Beds	294	241
1 King Bed	294	103
1 King Bed Suite	550	16
1 King Bed Club Level	294	39
2 Double Beds Club Level	294	9
1 King Accessible Club Level	294	1
2 Double Beds Accessible	294	6
1 King Bed Accessible	294	2
1 King Bed Accessible Roll-In	294	1
1 King Bed Accessible Suite	550	1
1 King Bed Accessible Suite Roll-In	550	1
Deluxe Hospitality Suite	294	2
1 King Bed Deluxe Suite Connector	294	2
2 Double Beds Deluxe Suite Connector	294	1
Presidential Suite with King Bed	615	2
2 Double Beds Pres Suite Connector	294	1
Total		**428**

Property Photos

Meeting and Conference Facilities

Crowne Plaza Dallas Near Galleria-Addison has 11 meeting rooms with a total meeting space of approximately 20,000 sq ft. The following table sets out the size and capacity of the meeting and conference facilities in the Hotel.

Venue	Size (sq ft)	Capacity[1]
Trinity Ballroom	7,680	840
Mesquite	3,250	250
Oak Ballroom	2,580	250
Addison Lecture Hall	1,764	100
Chinaberry	1,568	150
Palm	1,044	100
Willow	975	80
Dogwood	667	60
Pecan	624	60
Director's Room	312	12
Boardroom	312	12

Note:

(1) Based on a theatre setting if applicable. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

Dining options at the Hotel include (i) a three-meal restaurant, McArthur's Restaurant, with a capacity for 224 people, and (ii) a hotel bar, Atrium Lounge, with a capacity for 75 people, which is open in the afternoons and evenings. The Hotel also provides room service and has a convenience store.

Recreational and Other Facilities

The Hotel offers 24-hour business centre, a club lounge area for IHG Rewards Club members, a variety of cardio and weight training equipment at the two well-equipped fitness centres, and an outdoor swimming pool and hot tub.

Summary of Selected Information

The table below sets out a summary of selected information on Crowne Plaza Dallas Near Galleria-Addison.

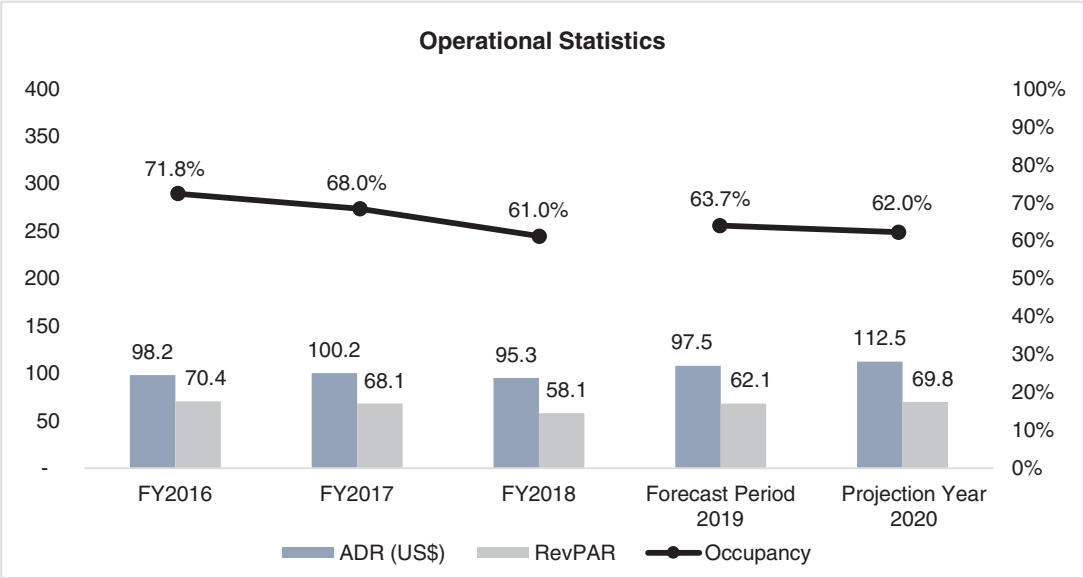
Completion Date	1984
Completion Date of Last Renovation	March 2019
Land Tenure	Freehold
Type of Hotel	Upscale
Brand Franchisor	IHG
Approximate GFA (sq m)	31,080
Number of Available Rooms	428
Carpark Lots	630
RevPAR (FY2018) (US$)	58.1
Adopted Value by Colliers (as at 31 December 2018)	US$56.7 million
Adopted Value by HVS (as at 31 December 2018)	US$57.8 million
Adopted Valuation	US$57.8 million
Purchase Consideration	US$50.7 million
Master Lessor	14315 Midway Road Addison LLC
Master Lessee	EHT CPDGA, LLC
Master Lease Tenure	20+20 years
Master Lease Rental	Fixed rent: US$2.5 million Variable rent: 18.0% of GOR plus 20.0% of GOP minus Fixed Rent
Variable Rent for the Forecast Period 2019	US$0.6 million
Variable Rent for the Projection Year 2020	US$1.4 million
CIF Reserve	4.0% of Room Revenue

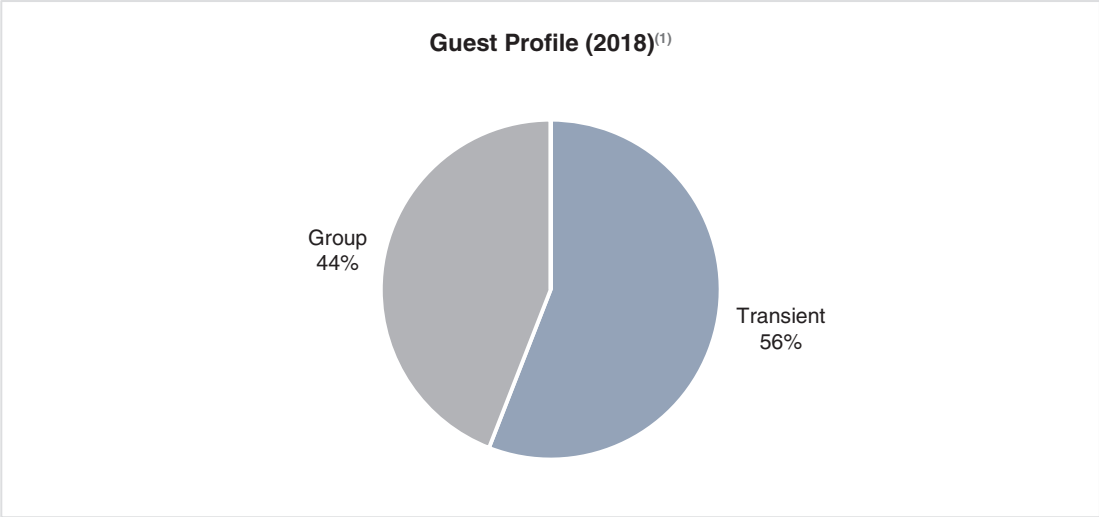
Asset Management Initiatives

Out of the Hotel's 428 rooms, 300 rooms have been updated, together with renovations to the meeting space and lobby market and upgrades to the building systems. In 2021 and 2022, the updates of the remaining rooms will continue in accordance to the new Work Life Room System by IHG, as well as the renovations to the restaurant and bar. This will increase the Hotel's competitiveness against the current competitor set.

Operating Statistics

The following charts show certain information on the operations of Crowne Plaza Dallas Near Galleria-Addison, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile by room revenue.





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HILTON HOUSTON GALLERIA AREA
6780 Southwest Fwy, Houston, Texas 77074

Description

Hilton Houston Galleria Area has 292 rooms and is located near the heart of Downtown Houston. The Hotel is proximate to business hubs such as Downtown Houston, Westchase, the Galleria area and Sugarland, allowing for strong corporate demand all year-round. The Hotel is also in the immediate vicinity of the "New-Chinatown" in Houston, a cultural centre filled with restaurants and entertainment activities. The Hotel is located 22 miles (within 30-minute drive) from George Bush Intercontinental Airport.

The Hotel comprises 13 stories. Parking facilities include 413 parking spaces.

Hilton Houston Galleria Area offers a variety of room options ranging from 341 sq ft to 728 sq ft.

Room Type	Size (SF)	Room Count
King Room	364	119
Two Queen Beds	351	45
King Executive Level	728	12
Two Double Beds	351	85
Two Double Executive Level	351	7
Presidential Parlor	341	1
Presidential King	364	1
King Junior Suite	728	11
Queen Accessible	351	1
Double Accessible	351	1
King Accessible	364	3
King Junior Suite Accessible	728	1
Double Accessible Roll In Shower	357	2
King Bed Handicap Accessible	364	2
Two Double Executive Level	351	1
Total		**292**

Property Photos

Meeting and Conference Facilities

The Hilton Houston Galleria Area has up to 13 meeting rooms with a total meeting space of approximately 12,000 sq ft. The following table sets out the size and capacity of the meeting and conference facility in the Hotel.

Venue	Size	Capacity[1]
Southwest Grand Ballroom	4,032	400
Salon A	1,008	100
Salon B	1,008	100
Salon C	1,008	100
Salon D	1,008	100
Regency Ballroom	2,400	200
Monterrey	1,248	100
Rio Grande	1,248	100
Acapulco	624	40
Tampico	624	40
San Miguel	540	50
Boardroom	520	12
Cozumel	460	50
Mazatlan	416	12

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

Dining options at the Hotel include a three-meal restaurant and bar; Veranda Restaurant with a capacity for 97 people, and Veranda Bar with a capacity for 46 people. The Hotel also provides room service.

Recreational and Other Facilities

The Hilton Houston Galleria Area offers a wide range of recreational and business facilities, including an outdoor swimming pool, a 24-hour fitness centre, complimentary shuttle service within a three-mile radius, and a market for sundries adjacent to the front desk. Hilton Honors guests can always enjoy a quiet space with light refreshments any time of the day at the Hilton Honors Lounge.

Summary of Selected Information

The table below sets out a summary of selected information on Hilton Houston Galleria Area.

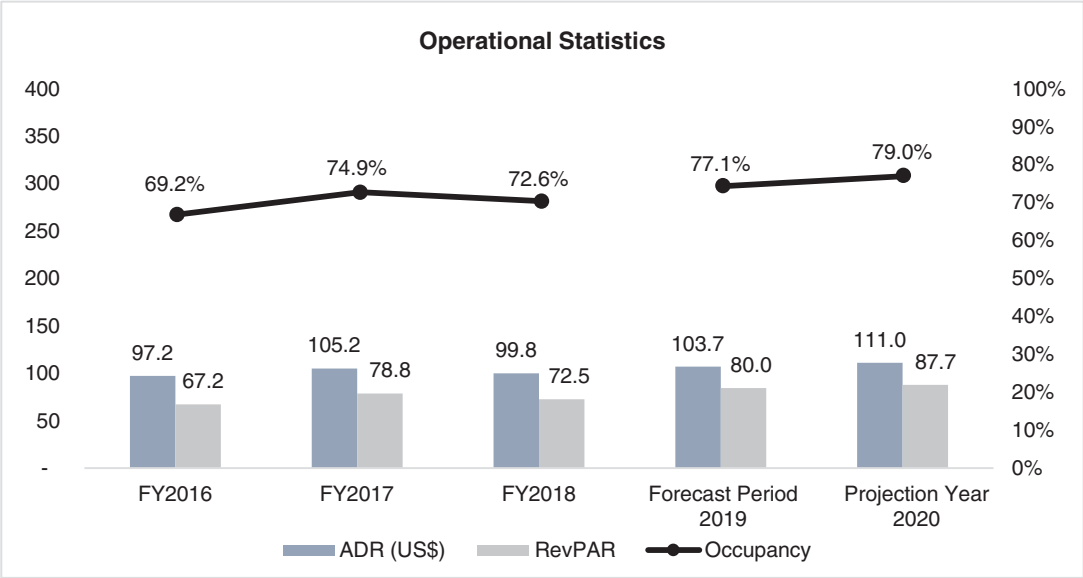
Completion Date	1978
Completion Date of Last Renovation	Expected May 2019
Land Tenure	Freehold
Type of Hotel	Upper Upscale
Brand Franchisor	HWHI
Approximate GFA (sq m)	18,760
Number of Available Rooms	292
Carpark Lots	413
RevPAR (FY2017) (US$)	72.5
Adopted Value by Colliers (as at 31 December 2018)	US$47.6 million
Adopted Value by HVS (as at 31 December 2018)	US$48.6 million
Adopted Valuation	US$48.6 million
Purchase Consideration	US$42.6 million
Master Lessor	6780, Southwest Fwy, Houston, LLC
Master Lessee	EHT HHG, LLC
Master Lease Tenure	20+20 years
Master Lease Rental	Fixed rent: US$2.2 million Variable rent: 22.0% of GOR plus 20.0% of GOP minus Fixed Rent
Variable Rent for the Forecast Period 2019	US$0.6 million
Variable Rent for the Projection Year 2020	US$1.2 million
CIF Reserve	4.0% of Room Revenue

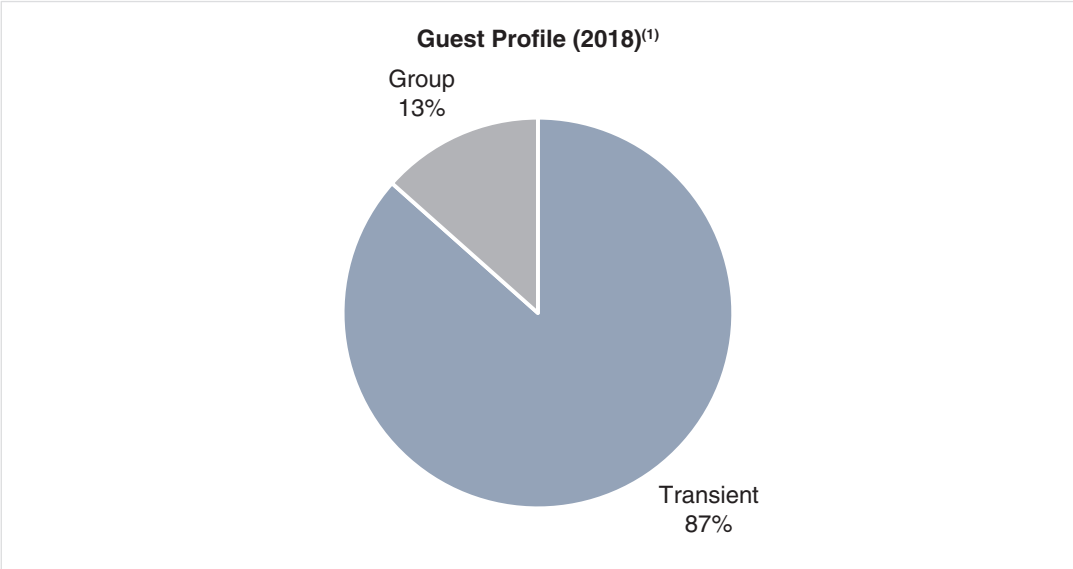
Asset Management Initiatives

Between 2015 and 2016, the Hotel underwent building system upgrades, rooms soft goods replacement and renovation to the restaurant. Presently, the Hotel is undergoing a US$1.5 million renovation to rebrand the Property to a Doubletree by Hilton hotel expected to be complete in December 2019. The top two floors will be assigned as Executive Levels, creating better business guest experience. The new meeting space will attract more demand from local business associations, weddings, and social, military, education, religious and fraternal meetings. The conversion is also expected to improve the operating margins of the Hotel as operating costs are more streamlined under the new brand requirements.

Operating Statistics

The following charts show certain information on the operations of Hilton Houston Galleria Area, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile by room revenue.





Note:

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RENAISSANCE WOODBRIDGE
515 Route 1 South, Iselin, New Jersey 08830

Description

Renaissance Woodbridge Hotel is a 312-room hotel located in Iselin, New Jersey. The hotel is conveniently located near popular attractions such as the New Jersey Convention and Exposition Center, Menlo Park Mall and PNC Bank Arts Center. The Hotel is also close to the campus of Rutgers University, the largest institution of higher education in the State of New Jersey with a total enrolment of over 65,000 students. Two large-scale malls, Menlo Park and Woodbridge Center, are also popular destinations which generate demand for New York shoppers given the absence of sales tax on clothing in New Jersey. The Hotel is located 12 miles (within 20-minute drive) from Newark Liberty International Airport.

The Hotel comprises seven stories. Parking facilities include 793 surface parking spaces.

Renaissance Woodbridge offers a variety of room options ranging from 321 sq ft to 726 sq ft.

Room Type	Size (sq ft)	Room Count
King Room	321	142
Queen/Queen Room	321	128
Junior Suite	541	34
Executive Suite	726	8
Total		**312**

Property Photos

Meeting and Conference Facilities

Renaissance Woodbridge has 8 meeting rooms with a total meeting space of 19,030 sq ft. The following table sets out the size and capacity of the meeting and conference facilities in the Hotel.

Venue	Size (sq ft)	Capacity[1]
Diamond	6,800	801
Crystal	4,635	662
Gold	2,100	242
Sapphire	1,800	98
Ruby	1,650	103
Silver	920	78
Platinum	735	49
Garnet	390	24

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

Dining options at the Hotel include (i) a restaurant, 9 City, which serves lunch and dinner with a capacity for 75 people, and (ii) a three-meal bar & lounge, Olio Lounge, with a capacity for 60 people. The Hotel also provides room service and has a convenience store.

Recreational and Other Facilities

The Hotel offers a 24-hour business centre, concierge lounge, a variety of cardio and weight training equipment at the well-equipped fitness centre, an indoor swimming pool and an outdoor heated swimming pool.

Summary of Selected Information

The table below sets out a summary of selected information on Renaissance Woodbridge.

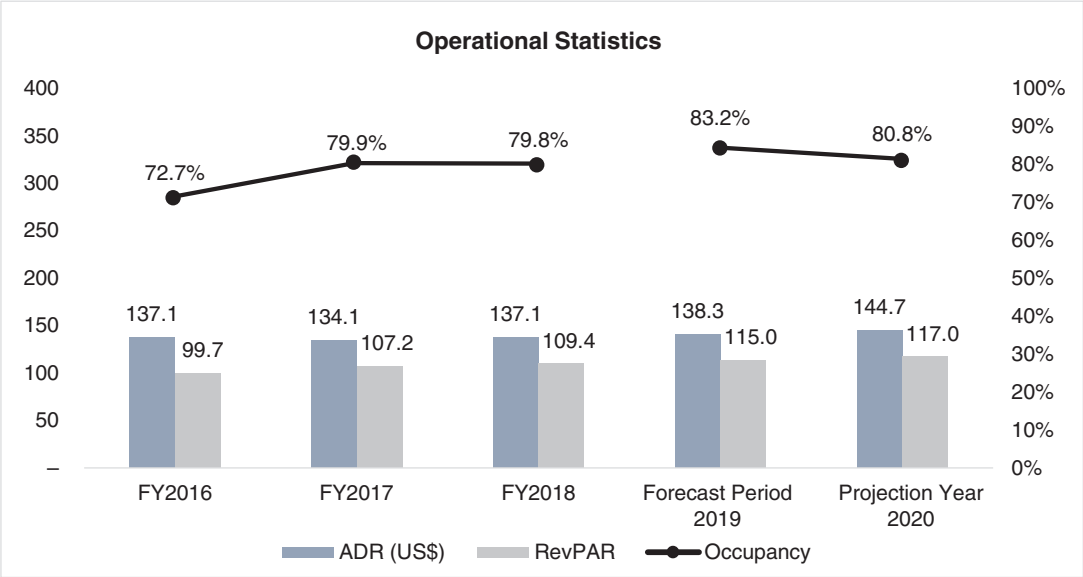
Completion Date	1986
Completion Date of Last Renovation	Expected May 2019
Land Tenure	Freehold
Type of Hotel	Upper Upscale
Brand Franchisor	Marriott
Approximate GFA (sq m)	22,575
Number of Available Rooms	312
Carpark Lots	793
RevPAR (FY2018) (US$)	109.4
Adopted Value by Colliers (as at 31 December 2018)	US$70.0 million
Adopted Value by HVS (as at 31 December 2018)	US$76.6 million
Adopted Valuation	US$76.6 million
Purchase Consideration	US$67.1 million
Master Lessor	44 Inn America Woodbridge Associates, L.L.C
Master Lessee	EHT RWH, LLC
Master Lease Tenure	20+20 years
Master Lease Rental	Fixed rent: US$3.4 million Variable rent: 19.0% of GOR plus 19.0% of GOP minus Fixed Rent
Variable Rent for the Forecast Period 2019	US$1.1 million
Variable Rent for the Projection Year 2020	US$1.7 million
CIF Reserve	5.0% of Total Revenue

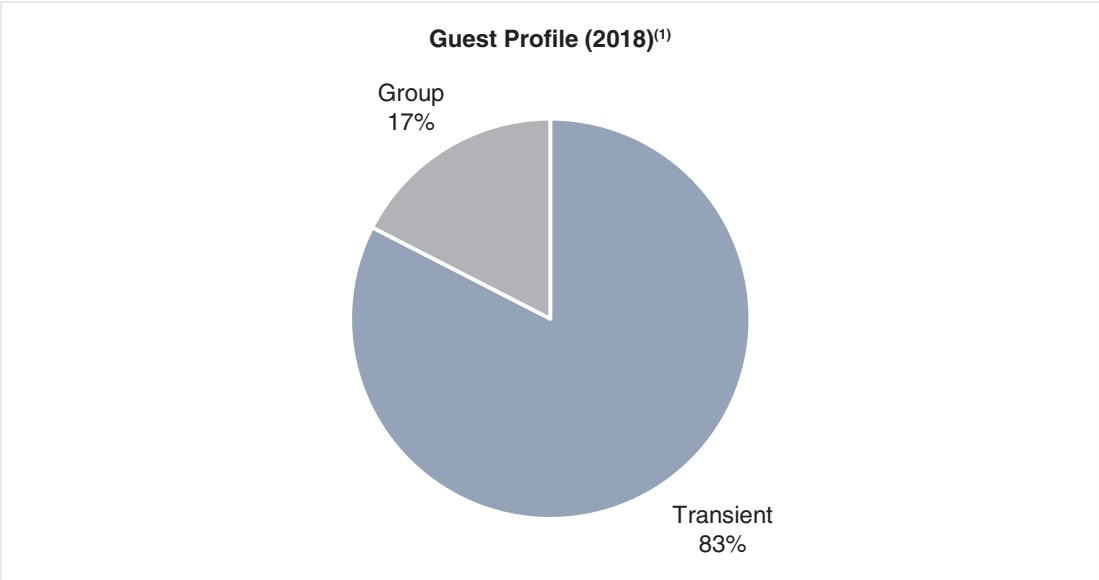
Asset Management Initiatives

The Hotel underwent a brand conversion to Renaissance in 2013 and is currently undergoing a renovation in all rooms and public spaces. The Hotel will be re-branded as Delta by Marriott once the renovation has finished, which is expected in May 2019. The rebranding is expected to improve the Hotel's margins as operating costs are more streamlined, and attract more group business as a brand new product in the market.

Operating Statistics

The following charts show certain information on the operations of Renaissance Woodbridge, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile by room revenue.





Note:

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CROWNE PLAZA DANBURY
18 Old Ridgebury Road, Danbury, Connecticut 06810

Description

The Crowne Plaza Danbury is a 242-room hotel located in Western Connecticut on the border between New York and Connecticut. The Hotel is a short distance to abundant shopping, dining and entertainment options that include the Ives Concert Park, The Ridgefield Playhouse and several sporting arenas. The Hotel is located 25 miles (within 40-minute drive) from Westchester County Airport, the nearest sizeable airport.

The 10-storey Hotel has parking facilities that can accommodate 420 cars. An indoor pool is located in a separate-but-connected building

The Crowne Plaza Danbury offers seven room types.

Room Type	Size (sq ft)	Room Count
Standard King	320	67
Executive King	320	41
Standard Double	320	107
Executive Double	320	14
Handicap King	320	7
Handicap Double	320	4
Parlor	640	2
Total		**242**

Property Photos

Meeting and Conference Facilities

The Crowne Plaza Danbury has up to 19 meeting rooms with a total meeting space of approximately 21,000 sq ft. The following table sets out the size and capacity of the meeting and conference facilities in the Hotel.

Venue	Size (sq ft)	Capacity[1]
Amethyst	3,171	270
Amethyst 1	2,199	180
Amethyst 2	972	90
Sapphire	2,122	200
Crowne Assembly	2,106	150
Mezzanine	1,716	80
Jade	1,563	150
Diamond A	1,364	148
Emerald C	1,364	148
Pearl D	1,364	148
Ruby B	1,364	148
Topaz	1,010	112
Topaz 1	505	56
Topaz 2	505	56
Peridot	676	75
Turquoise	511	30
Onyx	455	30
Opal	455	30
Sales Board Room	455	10
Coral	230	20
Sunstone	230	20

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

Dining options at the Hotel include (i) The Ridgebury Café, a breakfast café which serves American fare with a capacity for 86 people, and (ii) Hat City Tavern, a casual restaurant which serves American fare food and is open in the late afternoon and evenings, with a capacity for 69 people. The Hotel also provides room service and has a convenience store.

Recreational and Other Facilities

The Property offers a 24-hour business centre, a well-equipped fitness centre and an indoor saltwater pool.

Summary of Selected Information

The table below sets out a summary of selected information on the Crowne Plaza Danbury.

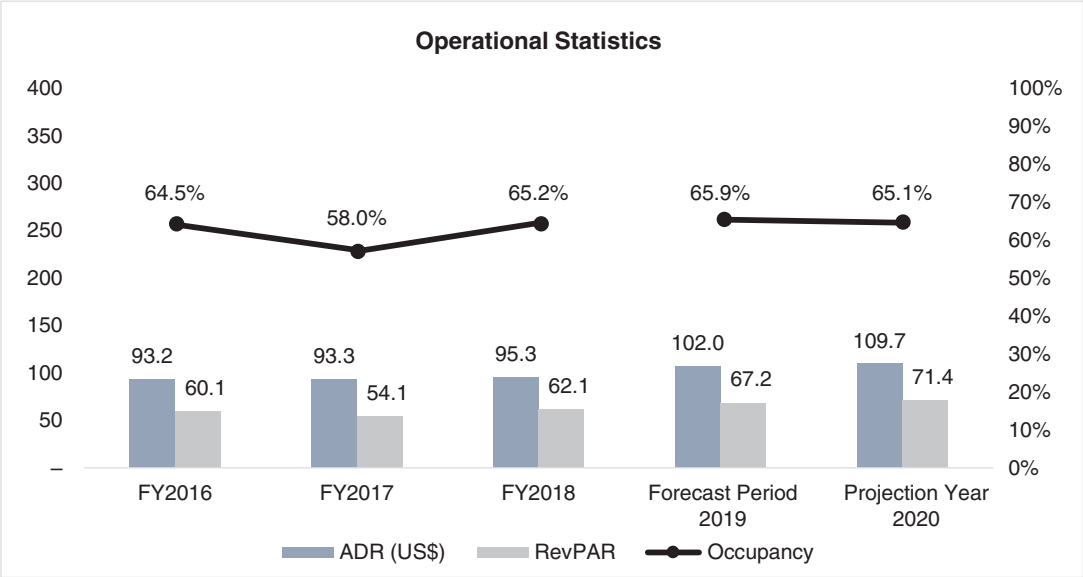
Completion Date	1980
Completion Date of Last Renovation	December 2018
Land Tenure	Freehold
Type of Hotel	Upscale
Brand Franchisor	IHG
Approximate GFA (sq m)	19,180
Number of Available Rooms	242
Carpark Lots	420
RevPAR (FY2018) (US$)	62.1
Adopted Value by Colliers (as at 31 December 2018)	US$10.2 million
Adopted Value by HVS (as at 31 December 2018)	US$12.0 million
Adopted Valuation	US$12.0 million
Purchase Consideration	US$10.5 million
Master Lessor	Urban Commons Danbury A, LLC
Master Lessee	EHT CDPCT, LLC
Master Lease Tenure	20+20 years
Master Lease Rental	Fixed rent: US$0.8 million Variable rent: 10.0% of GOR plus 10.0% of GOP minus Fixed Rent
Variable Rent for the Forecast Period 2019	US$0.1 million
Variable Rent for the Projection Year 2020	US$0.2 million
CIF Reserve	4.0% of Room Revenue

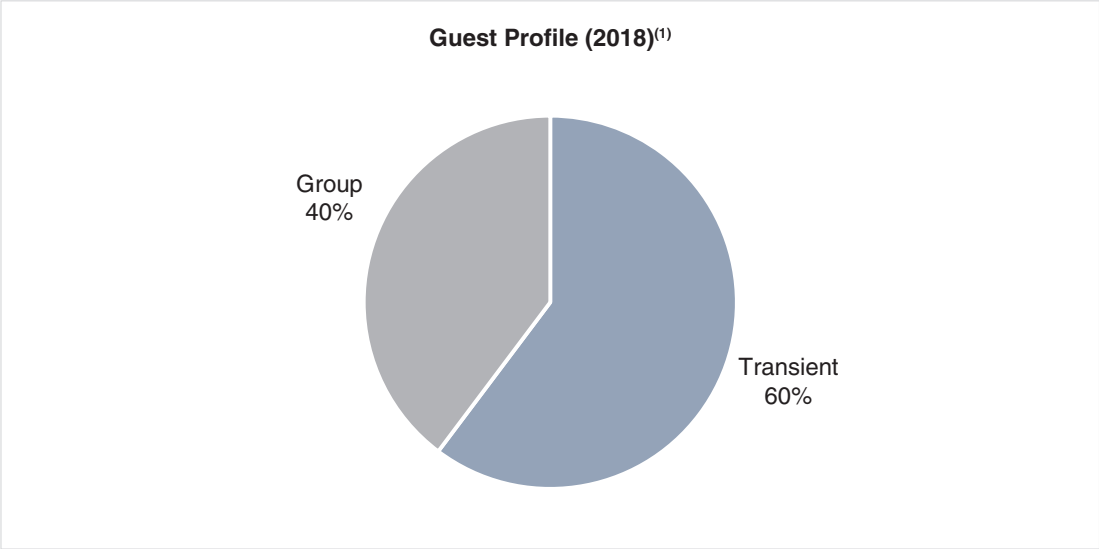
Asset Management Initiatives

A new manager for the Hotel was appointed by the Sponsor in 2017. The Hotel's elevators were upgraded in December 2018 for better functionality and improved aesthetics to complement the sleek and modern décor of the Property.

Operating Statistics

The following charts show certain information on the operations of Crowne Plaza Danbury, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile by room revenue.





Note:

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DOUBLETREE BY HILTON SALT LAKE CITY AIRPORT
5151 Wiley Post Way, Salt Lake City, Utah 84116

Description

Doubletree by Hilton Salt Lake City Airport is a 288-room Hotel located in the immediate vicinity of Salt Lake City International Airport, and only 10 minutes from Downtown Salt Lake City. The guests enjoy convenient access to a number of major Salt Lake City companies and corporations and attractions, including Salt Palace Convention Center, Vivant Smart Home Arena and Great Salt Lake. There are also 13 world-class ski resorts located less than an hour away, including Snowbird and Park City Mountain Resort.

The Hotel comprises 6 stories. It has a parking facility with 294 parking lots.

Doubletree Hilton Salt Lake City offers a variety of room options ranging from 344 to 700 sq ft.

Room Type	Size (sq ft)	Room Count
Standard Single King Rooms	344	167
Standard Two Double Rooms	344	107
Suites	411,469,700	14
Total		**288**

Property Photos

Meeting and Conference Facilities

Doubletree by Hilton Salt Lake City Airport has 13 meeting rooms with a rough total meeting space of approximately 13,000 sq ft. The following table sets out the size and capacity of the meeting and conference facilities in the Hotel.

Venue	Size (sq ft)	Capacity[1]
Canyons Ballroom	3,948	450
Salt Creek	2,209	250
Bryce	1,316	120
Snow	1,316	120
Zion	1,316	120
Maple	960	70
Eccles	490	35
Little Cottonwood	490	35
Arches	480	35
Cedar	400	35
Bingham	390	10
Emigration	390	35
Stillwater	n/a	300

Note:

(1) Based on a theatre setting if applicable. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

Dining options at the Hotel include (i) a three-meal restaurant, Lakeview Restaurant, with a capacity for 66 people, as well as (ii) a hotel bar/lounge, The Club with a capacity for 48 people. The Hotel also provides guests room service and has a Starbucks café.

Recreational and Other Facilities

The Hotel offers lakeview meeting spaces, Hilton Honors Club level and concierge lounge, heated indoor pool and whirlpool, 24-hour Pavilion Pantry Market, lakeside jogging path, lakeside patio and fire pit, lakeside putting green, fitness centre, business centre, basketball/sport court, and airport shuttle.

Summary of Selected Information

The table below sets out a summary of selected information on Doubletree by Hilton Salt Lake City Airport.

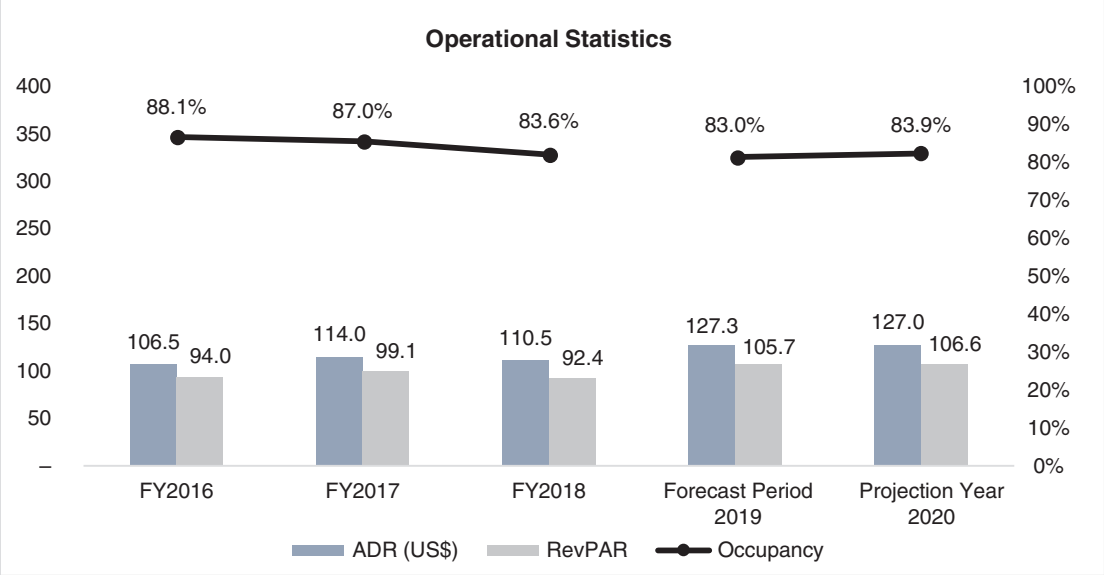
Completion Date	1980
Completion Date of Last Renovation	Expected May 2019
Land Tenure	Freehold
Type of Hotel	Upscale
Brand Franchisor	HWHI
Approximate GFA (sq m)	17,390
Number of Available Rooms	288
Carpark Lots	294
RevPAR (FY2018) (US$)	92.4
Adopted Value by Colliers (as at 31 December 2018)	US$53.8 million
Adopted Value by HVS (as at 31 December 2018)	US$60.9 million
Adopted Valuation	US$60.9 million
Purchase Consideration	US$53.4 million
Master Lessor	5151 Wiley Post Way, Salt Lake City, LLC
Master Lessee	EHT DHSLC, LLC
Master Lease Tenure	20+20 years
Master Lease Rental	Fixed rent: US$2.6 million Variable rent: 21.0% of GOR plus 22.0% of GOP minus Fixed Rent
Variable Rent for the Forecast Period 2019	US$1.1 million
Variable Rent for the Projection Year 2020	US$1.6 million
CIF Reserve	4.0% of Room Revenue

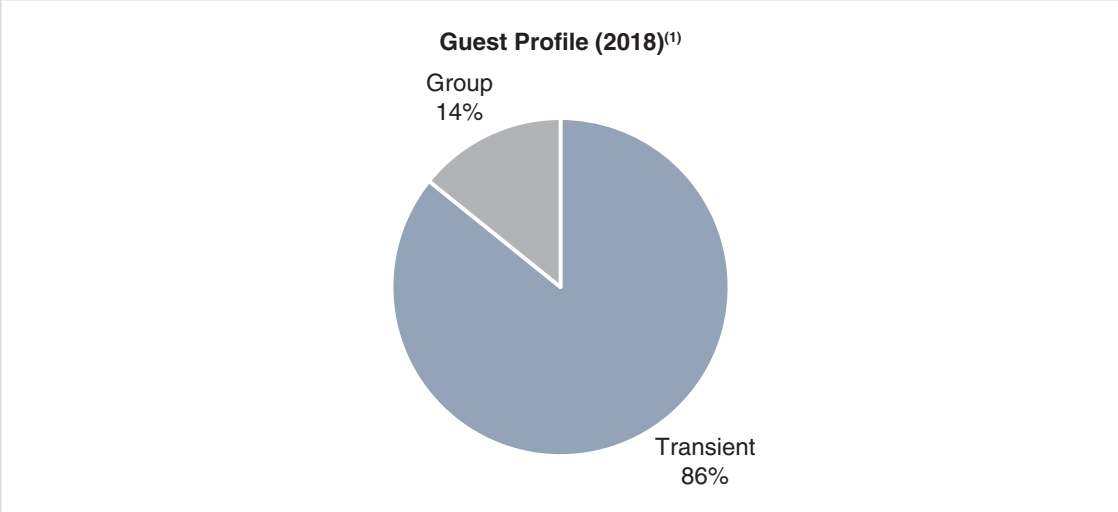
Asset Management Initiatives

From 2013 to 2014, the Hotel was rebranded to Doubletree by Hilton with upgrades to the rooms and renovations to the restaurant and bar. Presently, the Hotel is undergoing a renovation programme that began in late 2018 and will be completed in phases by end of 2019, costing US$2.9 million. All guest rooms will be refurbished with brand new case goods and soft seating. Welcome reception pods and restaurant spaces have also been upgraded to enhance guest experience. With the renovation, the Hotel will be well-positioned as a refreshed product within the market. It has secured a strong airline contract business base, and going forward will capitalise on being the only hotel with meeting space in the entire market.

Operating Statistics

The following charts show certain information on the operations of Doubletree by Hilton Salt Lake City Airport, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile by room revenue.





Note:

(1) Category breakdowns include Transient (rooms sold to individuals or groups of less than 10 rooms per night, also includes no-show charges), Group (typically defined as 10 or more rooms per night, sold pursuant to a signed agreement), and Contract (a consistent block of rooms committed at stipulated contract rates, such as for airline crews and permanent guests).

HILTON ATLANTA NORTHEAST
5993 Peachtree Industrial Boulevard, Norcross, Georgia 30092

Description

Hilton Atlanta Northeast Hotel is a 271-room hotel located in the Peachtree Corners neighbourhood, close to numerous corporate demand generators (such as the offices of Siemens Inc. and The 3M Company), and is located within a five-minute drive from The Forum on Peachtree Parkway (an upscale outdoor mall), and is only a 30-minute drive from downtown Atlanta. The Hotel is located 22 miles (within 40-minute drive) from Hartsfield-Jackson Atlanta International Airport.

The Hotel comprises 10 stories. Parking facilities include 391 surface parking spaces.

Hilton Atlanta Northeast offers a variety of room options ranging from 330 sq ft to 420 sq ft.

Room Type	Size (sq ft)	Room Count
Queen/Queen Room	330	119
King Room	330	114
Jr/Suites	420	38
Total		**271**

Property Photos

Meeting and Conference Facilities

Hilton Atlanta Northeast has up to 16 meeting rooms with a total meeting space of approximately 18,000 sq ft. The following table sets out the size and capacity of the meeting and conference facilities in the Hotel.

Venue	Size (sq ft)	Capacity[1]
Hunnicutt Ballroom	7,040	1,000
Hunnicutt B	2,304	250
Hunnicutt A	1,312	125
Hunnicutt E	1,312	125
Hunnicutt C	1,056	75
Hunnicutt D	1,056	75
Peachtree Corners	3,192	300
Norcross	2,107	115
Medlock Auditorium	1,296	102
Whispers	1,120	50
Gwinnett	858	80
Cobb	630	40
DeKalb	600	40
Fulton	600	40
Boardroom 2	336	20
Boardroom 3	336	20
Boardroom 1	330	15

Note:

(1) Based on a theatre setting. Capacity will differ based on the type of setting used and is not limited to the commonly used setting that this table is based on.

F&B Facilities

Dining options at the Hotel includes a three-meal restaurant and bar, Latitude 33, with a capacity for 114 people. The Hotel also provides room service and a convenience store.

Recreational and Other Facilities

The Hotel offers a 24-hour business centre, concierge lounge, a variety of cardio and weight training equipment at the well-equipped fitness centre, an indoor pool and an outdoor heated swimming pool and whirlpool.

Summary of Selected Information

The table below sets out a summary of selected information on Hilton Atlanta Northeast.

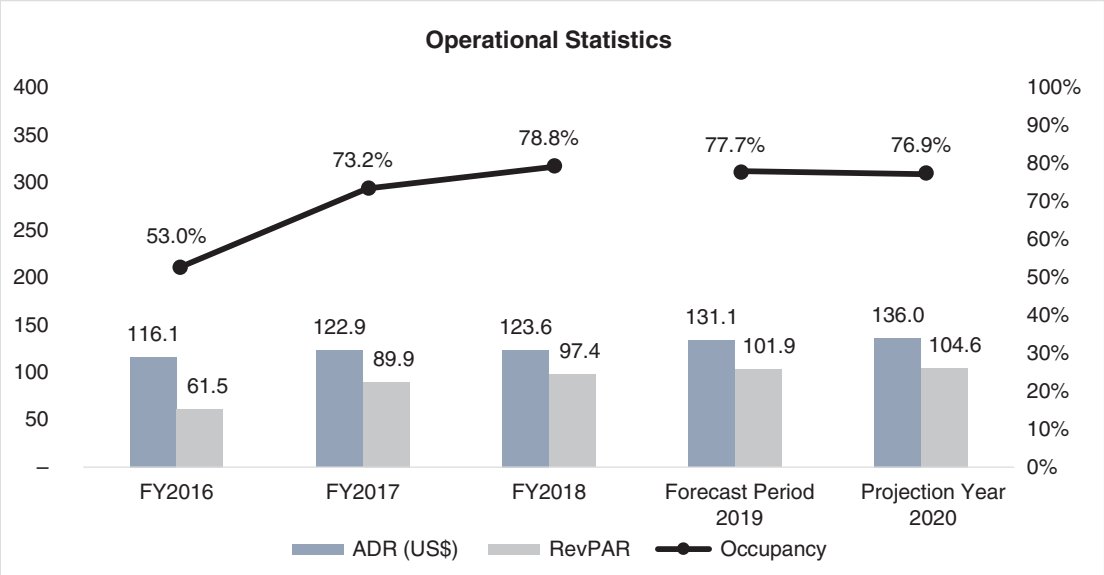
Completion Date	1986
Completion Date of Last Renovation	December 2018
Land Tenure	Freehold
Type of Hotel	Upper Upscale
Brand Franchisor	HWHI
Approximate GFA (sq m)	18,355
Number of Available Rooms	271
Carpark Lots	391
RevPAR (FY2017) (US$)	97.4
Adopted Value by Colliers (as at 31 December 2018)	US$49.0 million
Adopted Value by HVS (as at 31 December 2018)	US$55.4 million
Adopted Valuation	US$55.4 million
Purchase Consideration	US$48.6 million
Master Lessor	Sky Harbor Atlanta Northeast, LLC
Master Lessee	EHT HAN, LLC
Master Lease Tenure	20+20 years
Master Lease Rental	Fixed rent: US$2.4 million Variable rent: 19.0% of GOR plus 20.0% of GOP minus Fixed Rent
Variable Rent for the Forecast Period 2019	US$0.8 million
Variable Rent for the Projection Year 2020	US$1.3 million
CIF Reserve	4.0% of Room Revenue

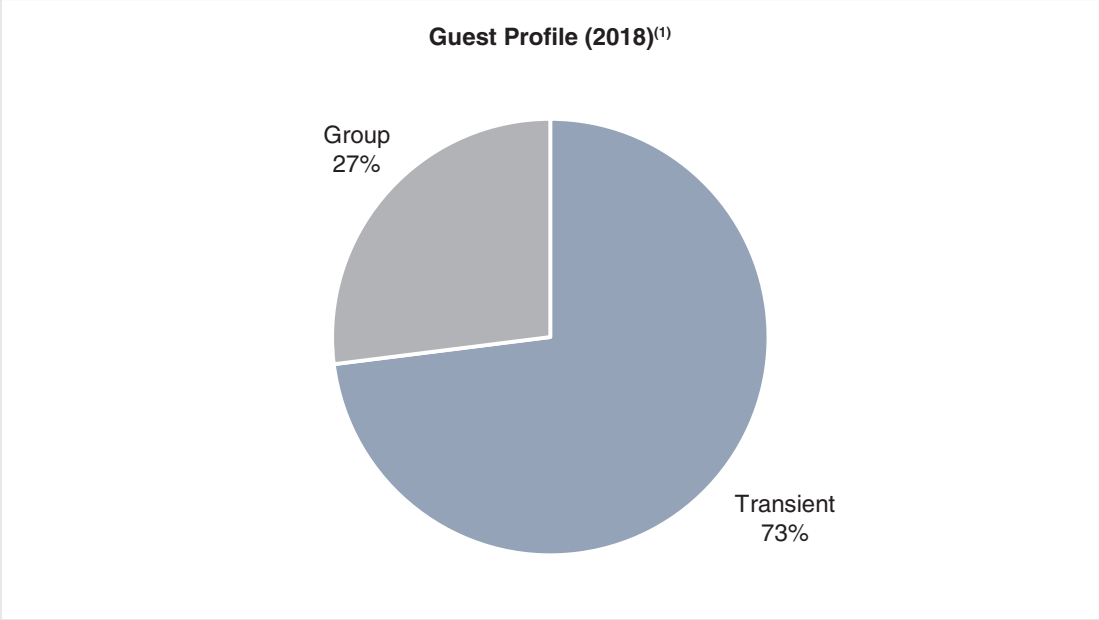
Asset Management Initiatives

From 2016 to 2018, the Hotel underwent a US$13.0 million full renovation conducted in phases, including all rooms, lobby, meeting spaces and food and beverage venues as well as upgrades to the building services infrastructure. As a result of the refurbishment, the Hotel has positioned itself to improve RevPAR through increased rate and occupancy, presently offering the newest product within the market with increasing banquet business.

Operating Statistics

The following charts show certain information on the operations of Hilton Atlanta Northeast, including the ADR, RevPAR and Occupancy of the Hotel for FY2016, FY2017, FY2018, Forecast Period 2019 and Projection Year 2020, and the breakdown of the Hotel's guest profile.





Note:

(1) Category breakdowns include Transient (rooms sold to individuals or groups of less than 10 rooms per night, also includes no-show charges), Group (typically defined as 10 or more rooms per night, sold pursuant to a signed agreement), and Contract (a consistent block of rooms committed at stipulated contract rates, such as for airline crews and permanent guests).

OTHER GENERAL INFORMATION ABOUT THE INITIAL PORTFOLIO

Capital Expenditure Spent Since 2013

From 2013 to first quarter 2019, US$174 million was spent refurbishing the Initial Portfolio, as well as updating certain Hotels to the latest brand standards. As a result, 90.4% of the Initial Portfolio by valuation has had major refurbishment works completed since 2013 (77.2% since 2018). The Managers believe that the newly-refurbished Properties will require minimal capital expenditure post Listing, thus improving the free cashflow of EHT and keeping its debt headroom available for accretive acquisitions.

Property	Capital Expenditure Summary	Amount Spent (US$ million)	Completion Date
Holiday Inn Resort Orlando Suites – Waterpark	Full renovation of rooms and public spaces	27.5	August 2018
The Queen Mary Long Beach	Repurposing of unutilised public spaces and structural works	23.5	December 2018
Renaissance Denver Stapleton	Full renovation of rooms and public spaces	16.8	September 2018
Sheraton Pasadena	Full renovation of rooms and public spaces – including exterior front porch	16.8	March 2019[1]
Hilton Atlanta Northeast	Full renovation of rooms and public spaces	13.0	December 2018
Holiday Inn Denver East – Stapleton	Full renovation of rooms and public spaces	10.9	September 2018
Hilton Houston Galleria Area	Full renovation of rooms and public spaces	9.7	March 2019[1]
Embassy Suites by Hilton Anaheim North	Full renovation of rooms and public spaces	9.3	November 2018
Embassy Suites by Hilton Palm Desert	Full renovation of rooms and public spaces	9.0	February 2018
Doubletree by Hilton Salt Lake City Airport	Rebranded, full renovation of rooms and public spaces	7.6	March 2019[1]
Renaissance Woodbridge	Rebranded, full renovation of rooms and public spaces	6.3	March 2019[1]
Four Points by Sheraton San Jose Airport	Rebranded, full renovation of rooms and public spaces	6.3	March 2016
Holiday Inn Hotel & Suites San Mateo	Full renovation of two buildings – third building outstanding	5.6	June 2018
Sheraton Denver Tech Center	Refurbishment and renovation of public spaces	3.6	December 2013
Crowne Plaza Dallas Near Galleria – Addison	Renovation of rooms and public spaces	3.5	March 2019
The Westin Sacramento	Rooms renovation and softgoods replacement	2.7	December 2015
Holiday Inn Hotel & Suites Anaheim	Light cosmetic renovation and addition of a “splash zone” water park	1.8	April 2017
Crowne Plaza Danbury	Elevator modernisation	0.3	December 2018

1 Asset enhancement works have substantially been completed; expected completion date for final works is in May 2019.

Further Asset Enhancements Post-Listing

Further asset enhancements still underway or planned but not yet started include the following set out below. Certain of the future asset enhancement works are part of the PIPs imposed under by the Hotel Franchisors to maintain the hotel brand's operating standards and the relevant Master Lessee is obliged to ensure that the asset enhancement works would be duly carried out and completed post-listing in accordance with the Franchise Agreement.

Property	Asset Enhancement Summary	Estimated Amount Outstanding post Listing (US$m)	Estimated Start Date	Estimated Completion Date
Crowne Plaza Dallas Near Galleria-Addison(1)	Full renovation of rooms and public spaces	4.5	2021	2022
Holiday Inn Hotel & Suites San Mateo(3)	Renovation of public spaces including restaurant, lounge and lobby area	3.4	2019	2020
Sheraton Denver Tech Center(2)	Soft goods renovation	2.5	2019	2021
Hilton Houston Galleria Area(1)	Renovation for rebranding into a Doubletree by Hilton	1.5	2019	2019
Doubletree by Hilton Salt Lake City Airport(2)	Renovation of rooms and public spaces	0.5	2019	2019
Holiday Inn Resort Orlando Suites – Waterpark(2)	Renovation of one restaurant	0.2	2019	2019

Notes:

(1) For purposes of funding such asset enhancement works, part of the purchase consideration for the Properties (equivalent to the amount required to be set aside in a PIP reserve account with the relevant ASAP Mortgage Loan Lender of the ASAP Mortgage Loans for Crowne Plaza Dallas Near Galleria-Addison and Hilton Houston Galleria Area) would be paid to such account with the relevant ASAP Mortgage Loan and can be drawn on by the relevant AGAP Mortgage Borrower under the relevant ASAP Mortgage Loans.

(2) For purposes of funding such asset enhancement works, part of the purchase consideration for the Properties (equivalent to the estimated amount of capital expenditures outstanding) would be retained in an escrow account under the name(s) of the REIT Trustee and/or the subsidiaries of EH-REIT. The Managers will have control over the escrow account for any draw down to fund such asset enhancement works. The Vendors have agreed to issue promissory notes to subsidiaries of EH-REIT (the "**Cap Ex Notes**") pursuant to the Securities Purchase Agreement with respect to this amount.

(3) Such asset enhancement works would be funded from the CIF Reserve (as defined herein) and/or working capital.

The valuation and the purchase consideration paid by EH-REIT for the acquisition of the aforementioned Properties have taken into account the outstanding capital expenditure amount in connection with the asset enhancement works. As at the Listing Date, the outstanding capital expenditure amount is estimated to be US$12.6 million.

Insurance

The Properties are insured in a manner consistent with industry practice and all relevant laws and regulations in the respective States where they are located. With effect from the Listing Date, the REIT Trustee will take out and maintain, among others, at EH-REIT's cost (except for the Queen Mary Long Beach), property insurance policy insuring the relevant hotel, the infrastructure, plant

and equipment and the contents of the relevant hotel. Going forward the Master Lessee must, at their own cost, will take up and maintain umbrella insurance policy, pollution liability coverage, general liability policy, insurance related to workers' compensation, employment practices liability insurance, cyber liability policies, public liability insurance and business interruption insurance for the respective rights and interests of the Master Lessor and the Master Lessee. EH-REIT and the Master Lessee may mutually agree to an insurance buying plan which may be undertaken by the property manager to effectuate the insurance requirements set forth herein.

There are, however, certain types of risks that are not covered by such insurance policies. (See Risk Factors – "EH-REIT may suffer material losses in excess of insurance proceeds or in respect of losses which are uninsured".)

Legal Proceedings

None of EHT, EH-REIT, EH-BT, the REIT Manager or the Trustee-Manager is currently involved in any material litigation nor, to the best of the knowledge of the Managers, is any material litigation currently contemplated or threatened against EHT, EH-REIT, EH-BT, the REIT Manager or the Trustee-Manager.

Encumbrances

Sheraton Pasadena

There is a deed of trust over the Sheraton Pasadena in favour of SPT CA Fundings 2, LLC which was assigned to Starwood Property Mortgage Sub-10, L.L.C., which will be discharged upon the completion of the acquisition of the USHI Portfolio by EH-REIT on the Listing Date.

Holiday Inn Hotel & Suites Anaheim

There is a deed of trust over the Holiday Inn Hotel & Suites Anaheim in favour of SPT CA Fundings 2, LLC which was assigned to Starwood Property Mortgage Sub-10, L.L.C., which will be discharged upon the completion of the acquisition of the USHI Portfolio by EH-REIT on the Listing Date.

Embassy Suites by Hilton Anaheim North

There is a deed of trust over the Embassy Suites by Hilton Anaheim North in favour of SPT CA Fundings 2, LLC which was assigned to Starwood Property Mortgage Sub-10, L.L.C., which will be discharged upon the completion of the acquisition of the USHI Portfolio by EH-REIT on the Listing Date.

Holiday Inn Hotel & Suites San Mateo

There is a deed of trust over Holiday Inn Hotel & Suites San Mateo in favour of SPT CA Fundings 2, LLC which was assigned to Starwood Property Mortgage Sub-10, L.L.C., which will be discharged upon the completion of the acquisition of the USHI Portfolio by EH-REIT on the Listing Date.

Four Points by Sheraton San Jose Airport

There is a deed of trust over Four Points by Sheraton San Jose Airport in favour of SPT CA Fundings 2, LLC which was assigned to Starwood Property Mortgage Sub-10, L.L.C., which will be discharged upon the completion of the acquisition of the USHI Portfolio by EH-REIT on the Listing Date.

The Westin Sacramento

There is a deed of trust over The Westin Sacramento in favour of SPT CA Fundings 2, LLC which was assigned to Starwood Property Mortgage Sub-10, L.L.C., which will be discharged upon the completion of the acquisition of the USHI Portfolio by EH-REIT on the Listing Date. In addition, this property is subject to those certain easements for, among other things, the construction and maintenance of levees along the Sacramento River, further described in "Risk Factors – Risks relating to the Properties – Some of the Properties may be classified as legally nonconforming under local zoning regulations in the US and/or be exposed to potential liability arising from encroachment over easement rights."

Embassy Suites by Hilton Palm Desert

There is a deed of trust over Embassy Suites by Hilton Palm Desert in favour of SPT CA Fundings 2, LLC which was assigned to Starwood Property Mortgage Sub-10, L.L.C., which will be discharged upon the completion of the acquisition of the USHI Portfolio by EH-REIT on the Listing Date.

The Queen Mary Long Beach

There is a deed of trust over The Queen Mary Long Beach in favour of Banc of California, N.A., which will be discharged upon the completion of the acquisition of the USHI Portfolio by EH-REIT on the Listing Date. In addition, this Property is subject to ground leases with the City of Long Beach (or the City of Long Beach acting through its Board of Harbor Commissioners), as landlord, that govern the use of the land, submerged water area, and improvements (including the RMS Queen Mary) that make up the entirety of this Property.

Renaissance Denver Stapleton

There is a deed of trust over Renaissance Denver Stapleton in favour of SPT CA Fundings 2, LLC which was assigned to Starwood Property Mortgage Sub-10, L.L.C., which will be discharged upon the completion of the acquisition of the USHI Portfolio by EH-REIT on the Listing Date.

Holiday Inn Denver East – Stapleton

There is a deed of trust over Holiday Inn Denver East – Stapleton in favour of SPT CA Fundings 2, LLC which was assigned to Starwood Property Mortgage Sub-10, L.L.C., which will be discharged upon the completion of the acquisition of the USHI Portfolio by EH-REIT on the Listing Date.

Sheraton Denver Tech Center

There is a deed of trust over Sheraton Denver Tech Center in favour of Industrial and Commercial Bank of China (USA), which will be discharged upon the completion of the acquisition of the Initial Portfolio by EH-REIT on the Listing Date.

Holiday Inn Resort Orlando Suites – Waterpark

There is a mortgage over Holiday Inn Resort Orlando Suites – Waterpark in favour of SPT CA Fundings 2, LLC which was assigned to Starwood Property Mortgage Sub-10, L.L.C., which will be discharged upon the completion of the acquisition of the USHI Portfolio by EH-REIT on the Listing Date.

Crowne Plaza Dallas Near Galleria-Addison

In connection with the ASAP Mortgage Loans, there is a deed of trust over Crowne Plaza Dallas Near Galleria-Addison in favour of Deutsche Bank AG New York Branch which was assigned to Wilmington Trust, National Association. It is currently contemplated that the deed of trust will not be discharged on the Listing Date as EH-REIT will be acquiring the property-owning entity and will assume the outstanding ASAP Mortgage Loan under the property-owning entity. The purchase price of Crowne Plaza Dallas Near Galleria-Addison has taken into account the applicable ASAP Mortgage Loans, which matures on 6 January 2028. (See "Capitalisation and Indebtedness – Indebtedness – ASAP Mortgage Loans").

Hilton Houston Galleria Area

In connection with the ASAP Mortgage Loans, there is a deed of trust over Hilton Houston Galleria Area in favour of Wells Fargo Bank, National Association which was assigned to Wilmington Trust, National Association. It is currently contemplated that the deed of trust will not be discharged on the Listing Date as EH-REIT will be acquiring the property-owning entity and will assume the outstanding ASAP Mortgage Loan under the property-owning entity. The purchase price of Hilton Houston Galleria Area takes into account the applicable ASAP Mortgage Loan, which matures on 11 November 2022. (See "Capitalisation and Indebtedness – Indebtedness – ASAP Mortgage Loans")

Renaissance Woodbridge

There is a deed of trust over Renaissance Woodbridge in favour of Pacific Western Bank pursuant to the RW Mortgage Loan. As at the Listing Date, the deed of trust will be discharged as EH-REIT will prepay the RW Mortgage Loan with the proceeds of the ASAP Mortgage Loan in favour of Wells Fargo Bank. As at the Listing Date, there will be a mortgage over Renaissance Woodbridge pursuant to the relevant ASAP Mortgage Loan. (See "Capitalisation and Indebtedness – Indebtedness – ASAP Mortgage Loans").

Crowne Plaza Danbury

There is (i) a mortgage over Crowne Plaza Danbury in favour of United Overseas Bank Limited and (ii) a mortgage over Crowne Plaza Danbury in favour of Deutsche Bank Trust Company Americas, both of which will be discharged upon the completion of the acquisition of the USHI Portfolio by EH-REIT on the Listing Date.

Doubletree by Hilton Salt Lake City Airport

There is a deed of trust over Doubletree by Hilton Salt Lake City Airport in favour of Garrison GOF IV Commercial Funding II LLC which was assigned to Pacific Western Bank, which will be discharged upon the completion of the acquisition of the Initial Portfolio by EH-REIT on the Listing Date.

Hilton Atlanta Northeast

There is a deed to secure debt over Hilton Atlanta Northeast in favour of Industrial and Commercial Bank of China (USA) NA, which will be discharged upon the completion of the acquisition of the Initial Portfolio by EH-REIT on the Listing Date.

For any encumbrances over the Properties (other than with respect to Crowne Plaza Dallas Near Galleria-Addison, Hilton Houston Galleria Area and Renaissance Woodbridge) in respect of the security in connection with the New Term Loan Facilities, see "Capitalisation and Indebtedness – Indebtedness – ASAP Mortgage Loans".

Seasonality

According to the Independent Market Research Consultant, the RevPAR in the U.S. typically declines during the colder winter months, especially in December when the holidays result in a decline in business-related transient and group travel. Please refer to Appendix E, "Independent Hospitality Industry Report" for further details of the demand seasonality of each Property.

Marketing and Leasing Activities

The Master Lessee has engaged the Hotel Managers and the Hotel Franchisors to manage the day-to-day operations and marketing of that Hotel. The Hotel Managers and the Hotel Franchisors will engage in sales and marketing activities targeted at Properties' main sources of bookings as broken down by industry segment and channel, including corporate procurement and human resource departments, corporate secretaries, travel agents, relocation agents, housing agents and customers.

Examples of marketing activities undertaken by the Hotel Managers and the Hotel Franchisors include:

- participation in international and local trade-related shows;
- sales trips to key countries;
- roadshows held in source destinations and key cities;
- targeted database networking with top procurement accounts and participation in major consortia and TMC (travel management companies) programmes;
- preferred partnerships with regional relocation and distribution partners to grow market share;
- e-marketing, social media marketing and partnership marketing; and
- loyalty programmes:
    - IHG Rewards Club, a loyalty programme for members making frequent bookings at IHG hotels worldwide;
    - Marriott Bonvoy, a loyalty programme for members making frequent bookings at Marriott hotels worldwide; and
    - Hilton Honors, a loyalty programme for members making frequent bookings at HWHI hotels worldwide.

Employees

As at the Listing Date, EH-REIT, its subsidiaries, and EH-BT will not have employees.

COMPETITION

The following table sets out some of the competition faced by the Hotels:

Property	Competition[1]
Sheraton Pasadena	Best Western Pasadena Inn, Hilton Pasadena, Best Western Pasadena Royale Inn & Suites, Westin Pasadena, Holiday Inn Express & Suites Pasadena Colorado Boulevard, Courtyard Los Angeles Pasadena Old Town, dusitD2 Hotel Constance Pasadena
Holiday Inn Hotel & Suites Anaheim	Red Lion Hotel Anaheim, Best Western Plus Stovall's Inn, Howard Johnson Anaheim Hotel & Water Playground, Clarion Hotel Anaheim Resort, Four Points by Sheraton Anaheim, Fairfield Inn Anaheim Resort, Hotel Indigo Anaheim Maingate, Hilton Garden Inn Anaheim Garden Grove, Portofino Inn & Suites Anaheim, Holiday Inn Anaheim Resort Area
Embassy Suites by Hilton Anaheim North	Doubletree Anaheim Orange County, Radisson Suites Hotel Anaheim Buena Park, Embassy Suites Anaheim Orange, Embassy Suites Brea North Orange County, Marriott Fullerton @ California State University, Delta Hotel Anaheim Garden Grove
Holiday Inn Hotel & Suites San Mateo	Holiday Inn Hotel & Suites San Francisco Airport, Hilton Garden Inn San Mateo, Four Points by Sheraton Hotel & Suites San Francisco Airport, Hampton Inn Suites San Francisco Burlingame, Best Western Coyote Point Inn
Four Points by Sheraton San Jose Airport	Wyndham Garden Hotel San Jose, La Quinta Inns & Suites San Jose Airport, Sonesta Silicon Valley San Jose, Holiday Inn San Jose Silicon Valley, Courtyard San Jose Airport, Country Inn & Suites San Jose International Airport
The Westin Sacramento	Holiday Inn Sacramento Downtown Arena, Hilton Sacramento Arden West, Hyatt Regency Sacramento, Sheraton Hotel Grand Sacramento, Embassy Suites Sacramento Riverfront Promenade, Autograph Collection The Citizen Hotel
Embassy Suites by Hilton Palm Desert	Holiday Inn Express Palm Desert, Autograph Collection Hotel Paseo, Courtyard Palm Desert, Homewood Suites Palm Desert, Homewood Suites La Quinta, Embassy Suites La Quinta Hotel & Spa
The Queen Mary Long Beach	Courtyard Long Beach Downtown, Hyatt Regency Long Beach, Doubletree Hotel Maya, Renaissance Long Beach Hotel, Westin Long Beach, Hilton Long Beach
Renaissance Denver Stapleton	Crowne Plaza Denver Airport Convention Center, Doubletree Denver, Embassy Suites Denver Stapleton, Holiday Inn Denver East – Stapleton
Holiday Inn Denver East – Stapleton	Radisson Hotel Denver Central, DoubleTree Denver Stapleton North, Courtyard Denver Stapleton, Quality Inn & Suites Denver Stapleton, Drury Inn & Suites Denver Stapleton
Sheraton Denver Tech Center	DoubleTree Denver Aurora, Embassy Suites Denver Tech Center, Marriott Denver South @ Park Meadows, element Denver Park Meadows, Radisson Hotel Denver Aurora

Property	Competition[1]
Holiday Inn Resort Orlando Suites – Waterpark	Wyndham Lake Buena Vista Resort, Embassy Suites Orlando Lake Buena Vista Resort, Holiday Inn Resort Orlando Lake Buena Vista, DoubleTree Suites Orlando Disney Springs, Springhill Suites Orlando Lake Buena Vista In The Marriott Village
Crowne Plaza Dallas Near Galleria-Addison	Doubletree Hotel Dallas Near The Galleria, Courtyard Dallas Addison Midway, Sheraton Dallas Hotel By The Galleria, Renaissance Dallas Addison Hotel, Wyndham Garden Hotel Dallas North, Holiday Inn Express & Suites Dallas Addison, Radisson Hotel Dallas North Addison
Hilton Houston Galleria Area	Four Points by Sheraton Houston Greenway Plaza, Crowne Plaza Suites Houston Near Sugar Land, Comfort Inn Southwest Freeway @ Westpark, La Quinta Inns & Suites Houston Southwest
Renaissance Woodbridge	Hyatt Regency New Brunswick, APA Hotel Woodbridge, Crowne Plaza Edison, Sheraton Hotel Edison Raritan Center, Hilton East Brunswick & Executive Meeting Center, Heldrich Hotel & Conference Center
Crowne Plaza Danbury	Holiday Inn Danbury Bethel @ I 84, Hampton Inn Danbury, The Ethan Allen Hotel, Hilton Garden Inn Danbury, Courtyard Danbury, Springhill Suites Danbury
Doubletree by Hilton Salt Lake City Airport	Radisson Hotel Salt Lake City Airport, Courtyard Salt Lake City Airport, Holiday Inn Hotel & Suites Salt Lake City Airport West, Hyatt Place Salt Lake City International Airport, Hilton Garden Inn Salt Lake City Airport
Hilton Atlanta Northeast	Marriott Atlanta Peachtree Corners, Courtyard Atlanta Norcross Peachtree Corners, Hampton Inn Atlanta Peachtree Corners Norcross, Hyatt Place Atlanta Norcross Peachtree, Home2 Suites Atlanta Norcross, Residence Inn Atlanta Norcross Peachtree Corners

Note:

(1) Competitive Set for each Hotel has been extracted from the Independent Hospitality Industry Report by the Independent Market Research Consultant.

The level of competition in the hospitality industry is highly competitive and affected by various factors, including changes in travel preferences and patterns, changes in local, regional and global economic conditions, changes in local, regional and global populations, and the supply and demand for hotel rooms.

Each of the Hotels compete against other similar properties in their geographical market. Competing hotels may significantly lower rates or offer greater convenience, services or amenities, to attract guests. If these efforts are successful, the results of operations at the Hotels may be adversely affected. There can also be no assurance that demographic, geographic or other changes will not adversely affect the convenience or demand for the Hotels.

OVERVIEW OF THE ACQUISITION OF THE PROPERTIES

The Vendors

The USHI Portfolio Vendor is U.S. Hospitality Investments LLC, whose common equity interests are indirectly owned by each of the Founders in the proportion 50:50. The Properties comprising the USHI Portfolio are (i) Sheraton Pasadena, (ii) Holiday Inn Hotel & Suites Anaheim, (iii) Embassy Suites by Hilton Anaheim North, (iv) Holiday Inn Hotel & Suites San Mateo, (v) Four Points by Sheraton San Jose Airport, (vi) The Westin Sacramento, (vii) Embassy Suites by Hilton Palm Desert, (viii) The Queen Mary Long Beach, (ix) Renaissance Denver Stapleton, (x) Holiday Inn Denver East – Stapleton, (xi) Holiday Inn Resort Orlando Suites – Waterpark and (xii) Crowne Plaza Danbury.

The ASAP6 Portfolio Vendors are MWCI, LLC, which is wholly owned by Howard Wu, and CWCI, LLC, which is wholly owned by Taylor Woods. The ASAP6 Portfolio Vendors have acquired the ASAP6 Portfolio from the Third Party ASAP6 Portfolio Vendors prior to the Listing Date. The Properties comprising the ASAP6 Portfolio are (i) Sheraton Denver Tech Center, (ii) Crowne Plaza Dallas Near Galleria-Addison, (iii) Hilton Houston Galleria Area, (iv) Renaissance Woodbridge, (v) Doubletree by Hilton Salt Lake City Airport and (vi) Hilton Atlanta Northeast.

Securities Purchase Agreement

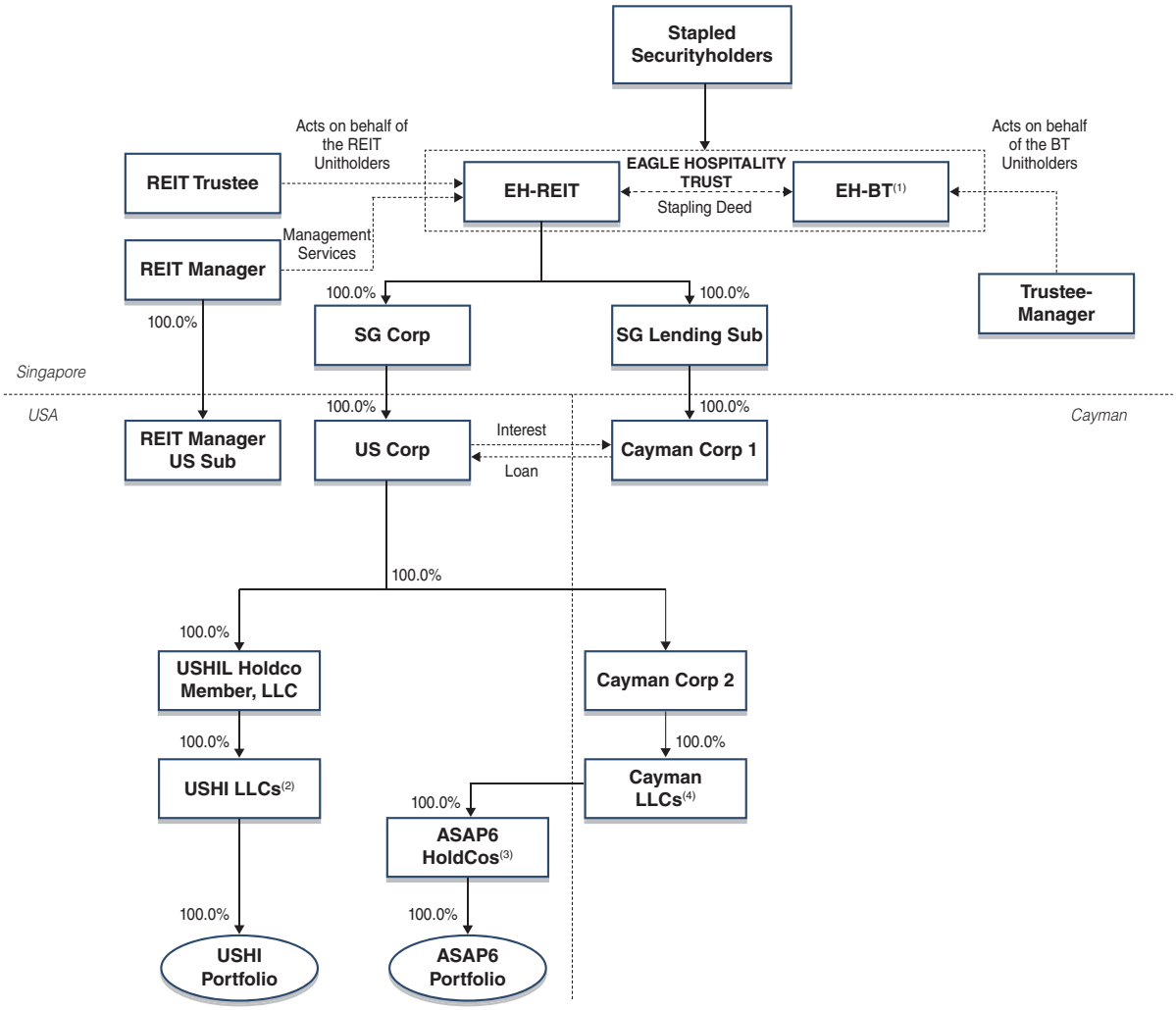
The REIT Trustee (as buyer) and the USHI Portfolio Vendor and the ASAP6 Portfolio Vendors (as sellers) entered into the Securities Purchase Agreement to acquire the USHI Portfolio and the ASAP6 Portfolio, via the purchase of all the equity interests in USHIL Holdco and Cayman Corp 2.

Then, following a series of assignments and intercompany loans and fund transfers that will occur at the closing, 100% of the interests in USHIL Holdco and Cayman Corp 2 will be owned by US Corp, a newly incorporated US corporation wholly owned by EH-REIT through SG Corp, a newly incorporated Singapore company wholly owned by EH-REIT.

(See “Certain Agreements Relating to EHT, EH-REIT, EH-BT and the Properties” further details.)

HOLDING STRUCTURE OF EHT

The following diagram illustrates the relationship between, among others, EH-REIT, EH-BT, the Managers and the Stapled Securityholders as at the Listing Date[1]:



Notes:

(1) Dormant as at the Listing Date. EH-BT will, however, become active if (i) EH-REIT is unable to appoint a master lessee for any of the Properties in its Initial Portfolio at the expiry of the relevant Master Lease Agreement or for a hospitality property newly acquired by EH-REIT, or (ii) EH-BT undertakes certain hospitality and hospitality-related development projects, acquisitions and investments which may be unsuitable for EH-REIT.

(2) USHIL Holdco Member, LLC, indirectly holds the USHI Portfolio (as defined herein) through UCHIDH, LLC, UCF 1, LLC, UCRDH, LLC, Urban Commons Bayshore A, LLC, UCCONT1, LLC, Urban Commons Cordova A, LLC, Urban Commons Highway 111 A, LLC, Urban Commons Anaheim HI, LLC, Urban Commons 4th Street A, LLC, Urban Commons Riverside Blvd., A, LLC, Urban Commons Danbury A, LLC and Urban Commons Queensway, LLC (collectively the "**USHI LLCs**" and each a "**USHI LLC**").

(3) The ASAP6 Portfolio (as defined herein) is directly held by Sky Harbor Atlanta Northeast, LLC, 5151 Wiley Post Way, Salt Lake City, LLC, Sky Harbor Denver Tech Center, LLC, 14315 Midway Road Addison LLC, 6780 Southwest FWY, Houston, LLC and 44 Inn America Woodbridge Associates, LLC (collectively the "**ASAP6 Holdcos**" and each an "**ASAP6 Holdco**"). The ASAP6 Holdcos are in turn held by Atlanta Hotel Holdings, LLC, ASAP Salt Lake City Hotel, LLC, Sky Harbor Denver Holdco, LLC, ASAP DCP Holdings, LLC, ASAP HHG Holdings, LLC and ASAP Woodbridge Hotel Holdings, LLC.

(4) Cayman Corp 2 indirectly holds the ASAP6 Portfolio through ASAP Cayman Atlanta Hotel, LLC, ASAP Cayman Salt Lake City, LLC, ASAP Cayman Denver Tech, LLC, ASAP Cayman Dallas Galleria, LLC, ASAP Cayman Houston Galleria, LLC and ASAP Cayman Woodbridge Hotel, LLC (collectively the "**Cayman LLCs**").

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1 As the Founders do not intend to have a limit on their ownership of Stapled Securities in EHT to be better aligned with the interest of other Stapled Securityholders, no US REIT election was anticipated by the US Corp given that the proposed aggregate Founders' stake of EHT will run a material risk of causing a breach of the ownership requirement/condition, and such ownership requirement/condition is of one of the qualifying conditions US Corp needs to meet if it desires to make a US REIT election. As such the Properties in the Initial Portfolio are to be held by US Corp, through certain underlying companies which are disregarded (i.e., non-taxpaying) entities for U.S. tax purposes. Such disregarded entities include Cayman intermediaries which were acquired as an existing structure along with the ASAP6 Portfolio.

ACQUISITION OF THE USHI PORTFOLIO

EH-REIT, through the REIT Trustee, has entered into the Securities Purchase Agreement with the USHI Portfolio Vendor to acquire the USHI Portfolio from the USHI Portfolio Vendor via the purchase of 100% of the interests in USHIL Holdco. USHIL Holdco indirectly holds the USHI Portfolio through the USHI LLCs and is a wholly-owned subsidiary of the USHI Portfolio Vendor, which in turn is wholly-owned by the Founders in the proportion of 50:50. Following the acquisition of the USHI Portfolio and a series of assignments and intercompany loans and fund transfers that will occur at the closing, 100% of the interests in USHIL Holdco and Cayman Corp 2 will be owned by US Corp, a newly incorporated US corporation wholly owned by EH-REIT through SG Corp, a newly incorporated Singapore company wholly owned by EH-REIT. Closing of the acquisition of the USHI Portfolio will occur on the Listing Date prior to Listing.

ACQUISITION OF THE ASAP6 PORTFOLIO

EH-REIT, through the REIT Trustee, has entered into the Securities Purchase Agreement with the ASAP6 Portfolio Vendors to acquire the ASAP6 Portfolio through acquiring 100% of the membership interest in Cayman Corp 2. Prior to the Listing Date, Cayman Corp 2 will indirectly hold the ASAP6 Portfolio through Cayman LLCs, which will indirectly hold 100% of the ASAP6 Holdcos.

Prior to the Listing Date, the ASAP6 Portfolio Vendors have acquired the ASAP6 Portfolio from the Third Party ASAP6 Portfolio Vendors in consideration[1] for, among others, promissory notes issued by Cayman Corp 2 and repayment of the existing debt relating to the ASAP6 Portfolio (save for the ASAP Mortgage Loans), which will be fully settled on the Listing Date with part of the proceeds from the Offering and the issuance of the Cornerstone Stapled Securities. For the avoidance of doubt, none of the Third Party ASAP6 Portfolio Vendors will be receiving any Consideration Stapled Securities and there will not be any amounts owing by EH-REIT and/or its subsidiaries to the Third Party ASAP6 Portfolio Vendors after the acquisition of Cayman Corp 2 from the ASAP6 Portfolio Vendors by EH-REIT.

Following the acquisition of the ASAP6 Portfolio and a series of assignments and intercompany loans and fund transfers that will occur at the closing, Cayman Corp 2 will be wholly owned by US Corp. Closing of the acquisition of the ASAP6 Portfolio will occur on the Listing Date prior to Listing.

In connection with the closing, the title company selected by the Vendors and the Master Lessors and to be named in the Securities Purchase Agreement (the "**Title Company**") will execute a legally binding and enforceable escrow agreement whereby the Title Company will irrevocably commit to issue a title insurance policy (subject only to the payment of the premium required for the issuance of the title insurance policy and satisfaction of any other customary requirements of that are typically imposed upon and complied with by owners of property similar to the Properties located in the state in which the Property is located) to the Master Lessor for the applicable Property in the USHI Portfolio and the ASAP6 Portfolio, dated as of the Listing Date, and will irrevocably commit to insure, at normal premium rates, without the requirement to pay additional premiums or escrow funds, the applicable Master Lessor's fee simple title or leasehold title (as applicable) to the Property it owns, subject only to permitted encumbrances. For the avoidance of doubt, notwithstanding that the final title insurance policies will not be issued at the closing, each

1 The purchase consideration paid by the ASAP6 Portfolio Vendors to the Third Party ASAP6 Portfolio Vendors does not include primarily the following: (i) the value of the Master Lease Agreements provided by the Master Lessees to EH-REIT; (ii) the prepayment penalties for the prepayment of certain existing indebtedness and the Interest Differential Amount set aside in the Interest Reserve Account in view of the higher interest cost of the ASAP Mortgage Loans vis-à-vis the New Term Loan Facilities; (iii) the capital expenditure to be completed post-listing for Crowne Plaza Dallas near Galleria-Addison, Sheraton Denver Tech Center, Hilton Houston Galleria Area and Doubletree Salt Lake City Airport; and (iv) the payment to the relevant Hotel Franchisors to effect a change in control of the ASAP6 Portfolio.

Master Lessor will be entitled to the benefits of the coverage provided by the applicable title insurance policy for the relevant Property upon closing. The accepted custom and practice is for title insurance companies to issue their title insurance policies within a commercially reasonable time frame after closing. The title insurance policy will be issued in the form of the pro forma title policy previously agreed upon by the applicable Master Lessors and the Title Company.

First American Title Insurance Company, one of the largest and most recognised title insurance companies in the United States will serve as the Title Company. The maximum amount to be insured under the title insurance policy for each Property will be equal to Adopted Value of each Property. Each title insurance policy will remain in effect for as long as the relevant Master Lessor retains ownership of or has liabilities with respect to such title.

MANAGEMENT AND CORPORATE GOVERNANCE

EHT

EHT comprises EH-REIT, a Singapore-based REIT, and EH-BT, a Singapore-based business trust registered under the BTA. The REIT Manager and the Trustee-Manager, being the responsible entities of EH-REIT and EH-BT, respectively, each has their own board of directors and their own set of procedures in relation to corporate governance.

Due to the different legislative and regulatory requirements in relation to a REIT as compared with a business trust, the corporate governance procedures and disclosure requirements in relation to the REIT Manager are different from those in relation to the Trustee-Manager.

The REIT Manager

The manager of EH-REIT is Eagle Hospitality REIT Management Pte. Ltd.. The REIT Manager is indirectly 51% owned by Howard Wu and 49% owned by Taylor Woods. The Founders are the co-founders of the Sponsor and they each own 50% of the common equity interests in the Sponsor.

The REIT Manager was incorporated in Singapore under the Companies Act on 30 August 2018. As at the Latest Practicable Date, it has an issued and paid-up capital of S$1.0 million and its registered office is located 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Its principal place of business is located at 8 Marina Boulevard, #11-32, Marina Bay Financial Centre Tower 1, Singapore 018981. The telephone and facsimile numbers of the REIT Manager are +65 6653 4434 and +65 6653 4788, respectively. The email address of the REIT Manager for any enquiries is enquiry@eagleht.com.

The REIT Manager has been issued a CMS Licence for REIT management pursuant to the SFA on 7 May 2019 and is regulated by the MAS.

The REIT Trustee

The trustee of EH-REIT is DBS Trustee Limited. The REIT Trustee is a company incorporated in Singapore and licensed as a trust company under the Trust Companies Act. It is approved to act as a trustee for authorised collective investment schemes under the SFA and is regulated by the MAS. As at the date of this Prospectus, the REIT Trustee has a paid-up capital of S$2.5 million. The REIT Trustee has a place of business in Singapore at 12 Marina Boulevard, Level 44, Marina Bay Financial Centre Tower 3, Singapore 018982.

The Trustee-Manager

The trustee-manager of EH-BT is Eagle Hospitality Business Trust Management Pte. Ltd.. The Trustee-Manager is indirectly 51% owned by Howard Wu and 49% owned by Taylor Woods.

The Trustee-Manager was incorporated in Singapore under the Companies Act on 30 August 2018. As at the Latest Practicable Date, it has an issued and paid-up capital of S$1.00 and its registered office is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. Its principal place of business is located at 8 Marina Boulevard, #11-32, Marina Bay Financial Centre Tower 1, Singapore 018981. The telephone and facsimile numbers of the Trustee-Manager are +65 6653 4434 and +65 6653 4788 respectively. The email address of the Trustee-Manager for any enquiries is enquiry@eagleht.com.

Under Section 10(2)(a) of the BTA, the Trustee-Manager is required to act in the best interests of all the holders of EH-BT Units as a whole. Further, under Section 11(1)(a) of the BTA, a Director of the Trustee-Manager is required to act honestly and exercise reasonable diligence in the discharge of the duties of his office and, in particular, shall take all reasonable steps to ensure that the Trustee-Manager discharges its duties under, among other things, Section 10(2)(a) of the BTA.

The MAS has exempted the Trustee-Manager from compliance with Section 10(2)(a) of the BTA and the Trustee-Manager Directors from compliance with Section 11(1)(a) of the BTA on the basis that EH-BT will be dormant as at the Listing Date, and subject to the conditions that:

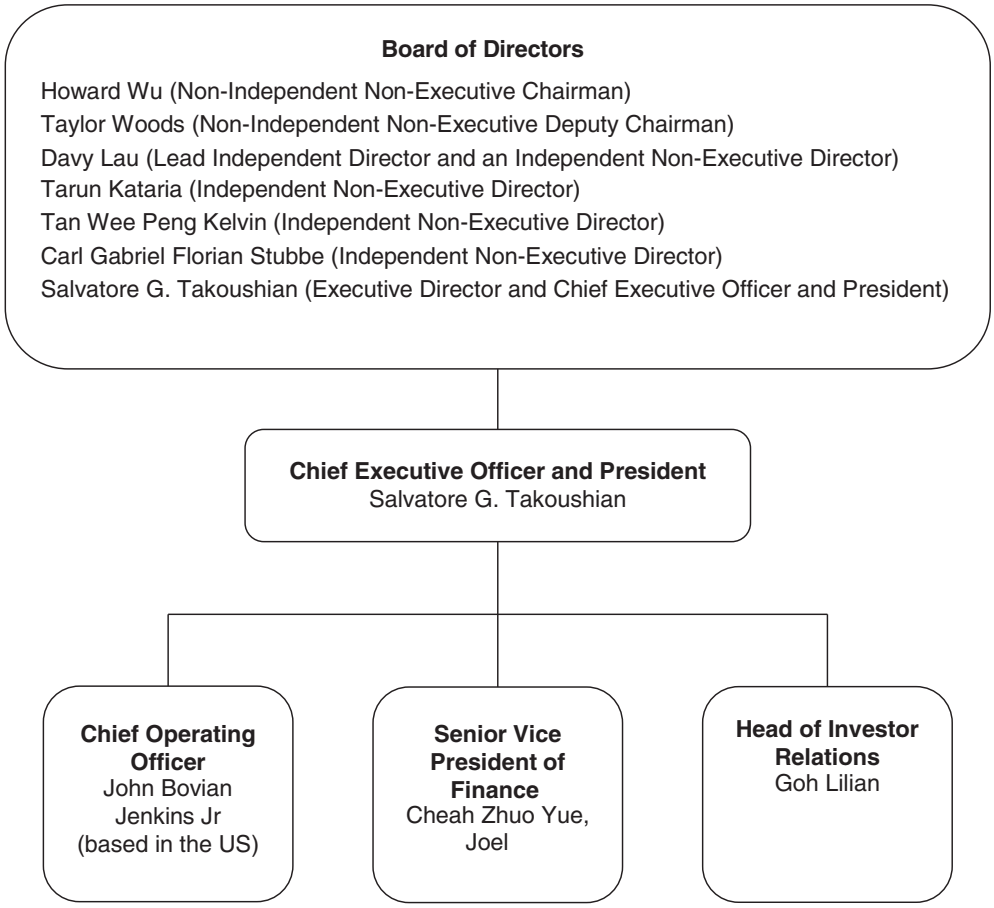
(i) for the duration of time the EH-REIT Units are stapled to the EH-BT Units, the Trustee-Manager and the Trustee-Manager Directors shall act in the best interests of all Stapled Securityholders; and

(ii) the exemptions relating to Section 10(2)(a) of the BTA and Section 11(1)(a) of the BTA are disclosed in this Prospectus.

In the event that EH-BT becomes active and engages in development contracts which carry a substantially different risk vis-a-vis EH-REIT, such transactions (including contracts) should be subject to the threshold set out in Rule 1006 of the Listing Manual.

EH-REIT

Management Reporting Structure of the REIT Manager



The REIT Manager Board

The REIT Manager Board is entrusted with the responsibility for the overall management of the REIT Manager. The following table sets forth information regarding the directors of the REIT Manager:

Name	Age	Address	Position
Howard Wu	36	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Non-Independent Non-Executive Chairman
Taylor Woods	47	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Non-Independent Non-Executive Deputy Chairman
Davy Lau	64	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Lead Independent Director and an Independent Non-Executive Director
Tarun Kataria	60	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Independent Non-Executive Director
Tan Wee Peng Kelvin	54	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Independent Non-Executive Director
Carl Gabriel Florian Stubbe	43	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Independent Non-Executive Director
Salvatore G. Takoushian	38	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Executive Director and Chief Executive Officer and President

As at the Latest Practicable Date, none of the REIT Manager Directors has any family relationship with or is related to one another, the executive officers of the REIT Manager, any employees of the REIT Manager upon whose work Eagle Hospitality Trust is dependent on, or any person with an interest in not less than 5.0% of the shares in issue ("**Substantial Shareholder**") of the Managers or any Stapled Securityholder with an interest in one or more Stapled Securities constituting not less than 5.0% of all the Stapled Securities in issue ("**Substantial Stapled Securityholder**") as at the Listing Date.

Each of the independent Directors of the Managers confirms that they are able to devote sufficient time to discharge their duties as an independent Director of the Managers. The Nominating and Remuneration Committee (as defined herein) is of the opinion that the independent Directors of the Managers are able to devote sufficient time to discharge their duties as independent Directors of the Managers.

None of the independent directors of the Managers sits on the boards of the principal subsidiaries of EH-REIT and EH-BT which are based in Singapore or other jurisdictions.

Experience and Expertise of the Boards of the Managers

Information on the business and working experience of the Directors of the Managers are set out below.

Howard Wu was appointed as the Non-Independent Non-Executive Chairman of the Managers on 30 August 2018.

Mr Wu is the co-founder and Principal of the Sponsor. Together with Taylor Woods, the proposed Non-Independent Non-Executive Director and Deputy Chairman of the Managers, he co-founded the Sponsor in 2008. He has over 10 years of real estate acquisition and development experience, with an emphasis on the densely populated California market. Mr Wu's expertise and niche is acquiring undervalued and mismanaged hospitality assets and dramatically increasing the value of these properties through repositioning, asset enhancement and professional management.

Mr Wu has completed numerous ground up real estate acquisitions and developments, including securing and enhancing the entitlement of raw land; developing residential subdivisions, apartment complexes, and condominium towers; building commercial, retail, entertainment, restaurant, hotels and destination complexes; designing and planning commercial properties and commerce centres from the ground up; overseeing all contractors, consultants, architects, engineers, planners designers; and working closely with cities and municipalities to enhance communities. He emphasises a 'value-add' approach across real estate investments, including repurposing spaces to capture additional revenue opportunities, renovating and rebranding properties where a better fit with the local market and demographic exists, securing key group contracts and implementing other revenue management initiatives, and pursuing cost mitigation opportunities such as through the renegotiation or buyout of significant leases. As co-founder and Principal of the Sponsor, Mr Wu has demonstrated capability to grow the Sponsor by significantly expanding its portfolio when markets are slowing or declining, as well as to develop and acquire targeted assets in strategic markets when markets are expanding or recovering.

Mr Wu holds a Bachelor of Science in Electrical Engineering from University of California, Los Angeles.

Taylor Woods was appointed as the Non-Independent Non-Executive Deputy Chairman of the Managers on 30 August 2018.

Mr Woods is the co-founder of the Sponsor and EHT and is a Principal of the Sponsor. He has over 22 years of real estate experience in the US. Together with Howard Wu, the proposed Non-Independent Non-Executive Chairman of the Managers, he co-founded the Sponsor in 2008. In that capacity, Mr Woods's primary focus has been to build and to foster relationships with financial institutions, lenders and bankers, franchisors and affiliated companies, analysts, consultants and advisors, and in overseeing the corporate identity and strategic direction of the company. He also has been primarily responsible for execution of growth strategies, maintaining and developing strategic partnerships, oversight of corporate agenda and responsibilities, and ensuring consistency in core values, business responsibilities, and enterprise objectives from 2006 to 2011, he was president of Genpact Mortgage Services, LLC, a subsidiary of Genpact Limited (formerly GE Capital International Services). Genpact Mortgage Services, LLC is a mortgage technology and origination outsourcing company in the United States, which provided end-to-end outsourced mortgage services, offering a comprehensive origination and secondary marketing solution on a private-label basis to more than 50 banks across the US. From 1996 to 2006, he was co-founder and principal of Moneyline Lending Services, LLC, a real estate-focused banking, technology, and outsourcing firm, and was responsible for developing leading edge technology designed to support the outsourcing and fulfilment needs for a range of banking and financial institution clients, and for their customers, across the United States, and which he ultimately sold.

Mr Woods holds a Bachelor of Arts from Brigham Young University.

Davy Lau was appointed as the Lead Independent Director and an Independent Non-Executive Director of the Managers on 16 April 2019.

Mr Lau is an independent non-executive director, the lead independent director and the chairman of the nominating and remuneration committee of Manulife US Real Estate Management Pte. Ltd. (the manager of Manulife US REIT) (SGX:BTOU) which is listed on the Main Board of the SGX-ST and is the first pure-play U.S. office REIT listed in Asia; as well as a non-executive director and member of the audit committee, nomination committee and remuneration committee of International Housewares Retail Company Limited, a company listed on the Main Board of the Stock Exchange of Hong Kong ("**HKEX**") (HKG:1373). Previously, Mr Lau was an independent non-executive director and non-executive chairman of AL Group Limited, a company listed on the Growth Enterprise Market of the HKEX (HKG:8360) and a non-executive director and chairman of the compensation committee of HiSoft Technology International Ltd, which was listed on the Nasdaq Stock Market (NASDAQ: HSFT).

Mr Lau is currently the Founder and Chairman of DGL Group Inc., which was founded in 2006 and focuses on investing directly in businesses that help individuals, organisations and communities achieve a sustainable, delicious and gracious life. He is a board member of Make-A-Wish Foundation Singapore, Hong Kong – ASEAN Economic Cooperation Foundation and Japan Home (Retail) Pte Ltd; a member of the Board of Governors of United World College South East Asia and a resource panel member of private equity firm, Credence Partners Pte Ltd. Mr Lau started his career at Computervision Corporation in the early 1980s, where he sold and implemented numerous CAD/CAM systems in the Asia-Pacific region, including some of the first CAD/CAM systems ever installed in China. Between 1988 and 1990, he was the vice president of Citigroup's Information Business in Japan, where he marketed real-time online financial information services to major corporations as well as financial institutions in Japan. Mr Lau served as GTECH's General Manager in Asia, where he marketed and managed the ongoing operations of various large-scale public gaming outsourcing projects in Asia between 1991 and 1994. From 1994 to 2011, Mr Lau was with Egon Zehnder International and was elected as global partner in 2000, where he recruited CEOs and their top management teams on behalf of global multinational and Asian clients. He was the firm's Singapore Managing Partner for 10 years and later focused on serving Japanese clients in Asia as well as board consulting.

Mr Lau is trilingual in Japanese, English and Mandarin. He received a Bachelor of Arts from Tokyo University of Foreign Studies in 1979 and a Master of Economics from Hitotsubashi University in Tokyo in 1981.

Tarun Kataria was appointed as an Independent Non-Executive Director of the Managers on 16 April 2019.

Mr Kataria is also an Independent Non-Executive Director of HSBC Bank (Singapore) Limited where he also the Chairman of its Audit Committee. He is also an Independent Non-Executive Director of Mapletree Logistics Trust Management Pte. Ltd. (the manager of Mapletree Logistics Trust) and Jubilant Pharma Ltd. He is also on the boards of three Indian listed companies, Westlife Development Ltd, Poddar Housing and Development Ltd and Sterlite Investment Managers Limited (the manager for India Grid Trust).

Between 2010 and 2013, Mr Kataria was the Chief Executive Officer, India of Religare Capital Markets Ltd. Prior to joining Religare Capital Markets, Mr Kataria held various senior positions within HSBC Group from 1998 to 2010, which included the roles of Chief Executive Officer, Global Banking and Markets, at The Hongkong and Shanghai Banking Corporation Limited (India), Vice-Chairman of HSBC Securities and Capital Markets (India) Private Limited, Non-Executive Director of HSBC InvestDirect (India) Limited and Managing Director, Asia Head of Institutional Sales, HSBC Global Markets based in Hong Kong.

Mr Kataria holds a Master of Business Administration (Finance) from The Wharton School, University of Pennsylvania. He is a Chartered Accountant of Institute of Chartered Accountants of India. His charitable giving is directed at environmental protection and the health and education of girl children.

Tan Wee Peng Kelvin was appointed as an Independent Non-Executive Director of the Managers on 16 April 2019. He is also the Chairman of the audit and risk committee of the REIT Manager (the "**REIT Manager Audit and Risk Committee**").

Since 2016, Mr Tan has been an Adjunct Associate Professor at NUS Business School. Prior to that, he was the Managing Director of a private investment vehicle, GBE Holdings Pte Ltd, a position which he held since 2008. Prior to this, Mr Tan held senior management positions, including the position of President of AETOS Security Management Pte Ltd from 2004 to 2008 and Global Head of Business Development and Chief Executive Officer, India of PSA International Ltd from 2003 to 2004. From 1996 to 2003, Mr Tan was with Temasek Holdings, where his last held position was as Managing Director of its Private Equity Funds Investment Unit.

Mr Tan is a member of the Singapore Institute of Directors and the Institute of Management Consultants (Singapore). He is also a Fellow and the Secretary of the Institute of Singapore Chartered Accountants. Mr Tan is an independent Director and Chairman of the Audit Committees for IREIT Global Group Pte. Ltd. (the manager of IREIT Global), Sabana Real Estate Investment Management Pte. Ltd. (the manager of Sabana Shari'ah Compliant REIT), Viking Offshore and Marine Ltd and UnUsUaL Limited. Mr Tan is also a non-executive Director of Global Investments Limited.

Mr Tan holds a Degree of Bachelor of Accountancy (First Class Honours) from the National University of Singapore and a Master of Business Administration from the same university.

Carl Gabriel Florian Stubbe was appointed as an Independent Non-Executive Director of the Managers on 16 April 2019. He is also the Chairman of the Nominating and Remuneration Committee of the REIT Manager.

Mr Stubbe is currently the Senior Vice President, Investment Sales, Asia Hotels & Hospitality Group of Jones Lang LaSalle Property Consultants Pte Ltd.

From 2017 to 2018, Mr Stubbe served as Chief Corporate Development Officer of OUE Limited. Concurrently, Mr Stubbe has been Chief Executive Officer of Peredigm Private Limited, a company involved in packaging and marketing excess capacity for asset-heavy businesses since 2013. He founded the company and has been responsible for its overall strategic direction. Prior to founding Peredigm Private Limited, Mr Stubbe was with Bank Julius Baer Singapore, where his last held position was Director, Private Banking. From 2009 to 2010, he was Chief Executive Officer of The Gaia Hotels, and from 2006 to 2008 he was with Grove International Partners LLP, a global real estate private equity firm, where his last held position was Vice President. In 2006, Mr Stubbe was with Colony Capital Asia, Ltd., a private international investment firm focusing primarily on real estate-related assets and operating companies, and from 2003 to 2005 he was with Global Hyatt Corporation in Chicago, U.S., where his last held position was Manager of Acquisitions and Development.

He has served as the non-executive chairman of Bowsprit Capital Corporation Limited, the manager of First Real Estate Investment Trust, and was previously also an independent director of OUE Commercial REIT Management Pte. Ltd., the manager of OUE Commercial Real Estate Investment Trust.

Mr Stubbe graduated from the University of Massachusetts, U.S., with a Bachelor of Arts degree in English and holds a Master of Business Administration from Johnson and Wales University, U.S..

Salvatore G. Takoushian was appointed as the Executive Director and Chief Executive Officer and President of the Managers on 16 April 2019.

Together with Howard Wu and Taylor Woods, Mr Takoushian was integral to the founding and establishment of the Managers and EHT. As the key person spearheading the listing and strategic direction of EHT, Mr Takoushian was responsible for assembling the management team and was actively involved in the establishment of the debt syndicate and the equity syndicate for the IPO of EHT. Mr Takoushian has over 16 years of experience in investment banking with extensive experience advising lodging and real estate companies in strategic and financial matters. During his career, he has managed the execution of public and private capital raises in excess of US$25 billion, including significant US REIT IPO experience, and more than US$20 billion of merger and acquisition transactions. His experience encompasses mergers and acquisitions, joint ventures, asset/portfolio divestitures and has led many financing transactions including debt and equity. Prior to joining the Managers, he was Managing Director at Jefferies LLC from 2015 to 2018 and headed the company's global lodging investment banking business with a focus on public REITs, global private equity sponsors and private real estate and lodging companies. While at Jefferies, Mr Takoushian also played a role in advising the Founders in relation to part of the Initial Portfolio. From 2004 to 2015, he was with Citigroup Global Markets Inc. where his last held position was Director, Investment Banking and where he maintained similar responsibilities.

Mr Takoushian holds a Bachelor of Science in Business Administration with concentrations in Finance and Accounting from Boston University where he graduated Magna Cum Laude.

Save for Howard Wu, Taylor Woods, and Salvatore G. Takoushian, for whom appropriate arrangements have been made to orientate each of them in acting as a director of the manager of a publicly-listed REIT, each of the Directors of the REIT Manager has served as a director of a public-listed company and/or manager of a publicly-listed REIT or business trust and has appropriate experience to act as Directors of the REIT Manager and are familiar with the rules and responsibilities of a director of a publicly-listed company and/or manager or trustee-manager of a publicly-listed REIT or business trust.

List of Present and Past Principal Directorships of the REIT Manager Directors

A list of the present and past directorships of each REIT Manager Director of the REIT Manager over the last five years preceding the Latest Practicable Date is set out in Appendix H, "List of Present and Past Principal Directorships of Directors and Executive Officers of the Managers".

Executive Officers of the REIT Manager

The executive officers of the REIT Manager are entrusted with the responsibility for the daily operations of the REIT Manager. The following table sets forth information regarding the executive officers of the REIT Manager:

Name	Age	Address	Position
Salvatore G. Takoushian	38	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Chief Executive Officer and President
John Bovian Jenkins Jr	59	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Chief Operating Officer
Cheah Zhuo Yue, Joel	35	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Senior Vice President of Finance
Goh Lilian	44	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Head of Investor Relations

Roles and Responsibilities of the Executive Officers of the REIT Manager

The **Chief Executive Officer and President** of the REIT Manager is responsible for working with the REIT Manager Board to determine the overall business, investment and operational strategies for EH-REIT. The Chief Executive Officer and President will also work with the other members of the management team of the REIT Manager and the Master Lessees to ensure that the business, investment and operational strategies of EH-REIT are carried out as planned. In addition, the Chief Executive Officer and President is responsible for the overall management and planning of the strategic direction of EH-REIT, including overseeing the acquisition of hospitality and hospitality-related assets and asset and property management strategies for EH-REIT.

The **Chief Operating Officer** is responsible for the asset management functions of the REIT Manager, in particular, the formulating business plans in relation to EH-REIT's properties, and with a view to maximising the rental income of EH-REIT. The Chief Operating Officer will ensure that the asset manager works closely with the Master Lessees to implement EH-REIT's strategies to maximise the income generation potential and minimise the expense base of the properties without compromising their marketability.

The **Senior Vice President of Finance** of the REIT Manager is responsible for the finances of EH-REIT. A key role of the Senior Vice President of Finance is to focus, monitor and report on the financial performance of EH-REIT. The Senior Vice President of Finance is also responsible for the preparation of statutory accounts, co-ordination with external auditors, managing tax affairs and treasury matters, and preparation of performance reports for investors and regulators.

The **Head of Investor Relations** of the REIT Manager is responsible for facilitating communications and liaising with Stapled Securityholders. This includes producing annual reports to the Stapled Securityholders and ensuring compliance by EHT with the reporting requirements under the Listing Manual and the law. The key role of the Head of Investor Relations is to maintain continuous disclosure and transparent communications with Stapled Securityholders and the market.

Experience and Expertise of the Executive Officers of the REIT Manager

Information on the working experience of the executive officers of the REIT Manager is set out below.

Salvatore G. Takoushian is the Chief Executive Officer and President of the REIT Manager. Details of his experience are set out above.

John Bovian Jenkins Jr is the Chief Operating Officer of the REIT Manager.

Mr Jenkins has over 35 years of experience in the hospitality sector in the United States. Prior to joining the REIT Manager, he was Vice President, Asset Management and Operations with Urban Commons, LLC since 2016, and was responsible for overseeing the day-to-day operations of the hotels in the USHI Portfolio. From 2012 to 2016, he was with Evolution Hospitality working at The Queen Mary Long Beach as Hotel Manager before being promoted to General Manager. From 2007 to 2011, he was Vice President and Hotel Manager with Gaylord National Resort and Convention Center where he managed the operations of the hotel and convention centre. From 1983 to 2007, he has held numerous positions in operations, sales and marketing, revenue management at various Marriott hotels across the United States, including as Resident Manager at New York Marriott Marquis, General Manager at Trenton Marriott in New Jersey and Assistant General Manager at Marriott at Metro Center in Washington D.C. From 2010, Mr Jenkins also started and ran his own hospitality consultancy under Sydjul Hospitality, LLC, and his clients included The Peterson Companies, the developer of the National Harbor, Maryland. Sydjul

Hospitality LLC is expected to be dormant and Mr John Jenkins will not be actively marketing and growing the business of Sydjul Hospitality LLC while he is a full-time employee of the Managers.

Mr Jenkins currently sits on the Executive Board of the Convention and Visitors Bureau of Long Beach.

Cheah Zhuo Yue, Joel is the Senior Vice President of Finance of the REIT Manager.

Mr Cheah has over 11 years of experience in finance and investments. Prior to joining the REIT Manager, between 2016 to 2017, he was with a proposed REIT manager and a proposed trustee-manager seeking potential listings of a REIT and business trust respectively, on the SGX-ST, where his roles encompassed treasury and financing and investor relations matters. From 2011 to 2016, he was Treasurer at Cambridge Industrial Trust Management, the REIT manager of Cambridge Industrial Trust (now known as ESR-REIT) where he was responsible for all treasury matters and portfolio risk management for the REIT. Prior to that, he has also held roles with Sumitomo Mitsui Banking Corporation, Phillip Futures Pte. Ltd. and iFAST Corporate Pte. Ltd., with experience in strategic planning and investment research.

Mr Cheah holds a Degree of Bachelor of Business from Nanyang Technological University and a Master of Science (Real Estate) from National University of Singapore. He is also a Chartered Financial Analyst.

After making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of the members of the REIT Manager's Audit and Risk Committee to cause them to believe that Mr Cheah does not have the competence, character and integrity expected of a Senior Vice President of Finance of the REIT Manager. The REIT Manager's Audit and Risk Committee is of the opinion that Mr Cheah is suitable as the Senior Vice President of Finance on the basis of his qualifications and relevant past experience. Mr Cheah has also confirmed that he is sufficiently familiar with the operations of EH-REIT and/or properties comprising the Initial Portfolio. In addition, as Senior Vice President of Finance, Mr Cheah's responsibilities encompass overseeing all the financial aspects of EH-REIT, including monitoring and reporting on financial performance, preparation of accounts and financial reports and managing tax and treasury matters and his role is similar to that of a CFO. Accordingly, the Audit Committee is of the opinion that Mr Cheah's suitability as Senior Vice President of Finance is in compliance with Rule 610(6).

Goh Lilian is the Head of Investor Relations of the REIT Manager.

Ms Goh has more than 20 years of experience in marketing and corporate communications and investor relations. Prior to joining the REIT Manager, she was with OUE Hospitality REIT Management Pte. Ltd., the REIT manager of OUE Hospitality Trust, where she was Senior Vice President, Investor Relations from 2013 to 2018. Prior to that, she was with The Ascott Group for more than nine years from 2004 to 2013, where she was part of the team that listed Ascott Residence Trust in 2006. As Vice President of Investor Relations for Ascott Residence Trust Management Limited, she was responsible for managing communications and investor relations for Ascott REIT's investment activities and equity fund raising exercises. She was also the Investor Relations Manager for The Ascott Group from 2004 until 2008.

Ms Goh holds a Degree of Bachelor of Communication Studies with Honours and a Master of Business Administration both from Nanyang Technological University.

List of Present and Past Principal Directorships of the Executive Officers of the REIT Manager

A list of the present and past directorships of each Executive Officer of the REIT Manager over the last five years preceding the Latest Practicable Date is set out in Appendix H, "List of Present and Past Principal Directorships of Directors and Executive Officers of the Managers".

Remuneration of the Chief Executive Officer and President

On the Listing Date, the Chief Executive Officer and President will receive from the Founders, an aggregate of such number of Consideration Stapled Securities equivalent to US$8 million in value, being 10,256,000 Stapled Securities representing 1.2% of the total number of Stapled Securities in issue. Such Consideration Stapled Securities received by the Chief Executive Officer and President takes into account his compensation for 2018 and his IPO-related bonuses, which shall be borne by the Founders (by way of the Vendors directing that such number of Consideration Stapled Securities be issued to SPV5, which is wholly-owned by the Chief Executive Officer and President) and not by EHT or the Stapled Securityholders. All equity awards granted to the Chief Executive Officer and President shall be subject to the restrictions under the lock-up arrangements set out in "Plan of Distribution – Lock-up Arrangements" of this Prospectus. In addition, the Chief Executive Officer and President has also agreed with the Founders that he will not dispose of his interest in Stapled Securities equivalent to US$3 million in value, being 3,846,153 Stapled Securities representing 0.4% of the total number of Stapled Securities in issue, until the date falling two years after the Listing Date, unless his employment is terminated without cause or if he resigns for good reason in which case he will be entitled to sell such Stapled Securities upon such termination or resignation. For the avoidance of doubt, all remuneration and compensation payable to the Chief Executive Officer and President post-listing shall be borne by the Managers.

Compliance Officer

The REIT Manager has outsourced the compliance function to Deloitte & Touche Enterprise Risk Services Pte. Ltd. ("**Deloitte**"). Deloitte will report to the Chief Executive Officer and President, and the duties under the compliance function include:

- assisting the REIT Manager in putting in place suitable compliance processes to ensure that the REIT Manager fulfils the compliance requirements under the SFA, the CIS Code (including the Property Funds Appendix), the Listing Manual, the CMS Licence, and all applicable laws, regulations and guidelines, as well as updating the Directors, the Chief Executive Officer and President, Executive Officers, and employees of the REIT Manager on such compliance requirements;

- preparing returns to the MAS as required under the SFA (including those required by the CMS Licence);

- highlighting any deficiencies or making recommendations with respect to the REIT Manager's compliance processes;

- assisting in the application process for the appointment of new directors to the Board; and

- assisting in any other matters concerning compliance with the SFA, the CIS Code (including the Property Funds Appendix), the Listing Manual, the CMS Licence and all applicable laws, regulations and guidelines.

Deloitte may also be engaged to provide regulatory compliance advice from time to time as may be required by the REIT Manager. Deloitte will carry out the above compliance activities and the REIT Manager is responsible for ensuring compliance with all applicable laws, regulations and guidelines. The REIT Manager may, if it considers necessary, directly employ a compliance officer in the future.

Company Secretary of the REIT Manager

The company secretary of the REIT Manager is Ms Toh Lei Mui. She is an Associate Member of the Singapore Association of the Institute of Chartered Secretaries & Administrators (SAICSA). The role of the Company Secretary include the following:

- ensuring that board procedures of the REIT Manager Board are followed;
- ensuring, under the direction of the Chairman, good information flows within the REIT Manager Board and its board committees and between the management and the Non-Executive Directors;
- assisting the REIT Manager with corporate secretarial administration matters for the REIT Manager, both in its personal capacity and in its capacity as manager of EH-REIT, including attending all board meetings;
- assisting in the application process for the appointment of new directors to the REIT Manager Board and Trustee-Manager Board; and
- assisting the REIT Manager in preparing the announcements and notifications to be uploaded on the SGXNET as required under the Listing Manual.

EH-BT

Management Reporting Structure of the Trustee-Manager

The Trustee-Manager Board

As at the Listing Date, the Trustee-Manager Directors comprise of seven members who are also Directors of the REIT Manager. The following table sets forth information regarding the directors of the Trustee-Manager:

Name	Age	Address	Position
Howard Wu	36	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Non-Independent Non-Executive Chairman
Taylor Woods	47	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Non-Independent Non-Executive Deputy Chairman
Davy Lau	64	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Lead Independent Director and an Independent Non-Executive Director
Tarun Kataria	60	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Independent Non-Executive Director
Tan Wee Peng Kelvin	54	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Independent Non-Executive Director
Carl Gabriel Florian Stubbe	43	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Independent Non-Executive Director
Salvatore G. Takoushian	38	c/o 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623	Executive Director and Chief Executive Officer and President

As at the Latest Practicable Date, none of the Trustee-Manager Directors has any family relationship with or is related to one another, the executive officer of the Trustee-Manager, any employees of the Trustee-Manager upon whose work Eagle Hospitality Trust is dependent on, is related to any Substantial Shareholder of the Managers or any Stapled Securityholder as at the Listing Date.

As EH-BT will be dormant as at the Listing Date, no compensation is payable to the Directors of the Trustee-Manager.

(See "– The REIT Manager Board – Experience and Expertise of the Boards of the Managers" for further details.)

List of Present and Past Principal Directorships of the Trustee-Manager Directors

A list of the present and past directorships of each Trustee-Manager Director of the Trustee-Manager over the last five years preceding the Latest Practicable Date is set out in Appendix H, "List of Present and Past Principal Directorships of Directors and Executive Officers of the Managers".

Save for Howard Wu, Taylor Woods, and Salvatore G. Takoushian, for whom appropriate arrangements have been made to orientate him in acting as a director of the trustee-manager of a publicly-listed business trust, each of the Directors of the Trustee-Manager has served as a director of a public-listed company and/or manager of a publicly-listed REIT or business trust and has appropriate experience to act as Directors of the Trustee-Manager and are familiar with the rules and responsibilities of a director of a publicly-listed company and/or manager or trustee-manager of a publicly-listed REIT or business trust.

Pursuant to Rule 210(5)(a) of the Listing Manual, a director who has no prior experience as a director of an issuer listed on the SGX-ST ("**First-time Director**") must undergo mandatory training with the Singapore Institute of Directors in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST, by the end of the first year of EHT's listing ("**Mandatory Training**"). In this regard, Howard Wu, Taylor Woods, and Salvatore G. Takoushian are First-time Directors who will attend Mandatory Training within the period permitted under the Listing Manual.

Executive Officers of the Trustee-Manager

As at the Listing Date, the executive officer of the Trustee-Manager shall comprise the Chief Executive Officer and President, Salvatore G. Takoushian, who is also the Chief Executive Officer and President of the REIT Manager.

(See "– Executive Officers of the REIT Manager – Experience and Expertise of the Executive Officers of the REIT Manager" and Appendix H, "List of Present and Past Principal Directorships of Directors and Executive Officers of the Managers" for further details.)

As EH-BT will be dormant as at the Listing Date, no compensation is payable to the Chief Executive Officer and President of the Trustee-Manager.

Employees of the Trustee-Manager

There is one employee employed by the Trustee-Manager being the Chief Executive Officer and President, Salvatore G. Takoushian. As at the date of this Prospectus, the current employee is based in Singapore and is not unionised.

Remuneration of the Directors and Executive Officers of the Trustee-Manager

As EH-BT will be dormant as at the Listing Date, no compensation is payable to the directors and executive officers of the Trustee-Manager.

Service Agreements

None of the members of the Trustee-Manager Board has entered or proposed to enter into service agreements with the Trustee-Manager or any subsidiary or subsidiary entity of EHT which provide for benefits upon termination of employment. However, please refer to "Management and Corporate Governance – EHT – Remuneration of the Chief Executive Officer and President" for further details of the remuneration package of the Chief Executive Officer and President of the Managers.

Company Secretary of the Trustee-Manager

The company secretary of the Trustee-Manager, Ms Toh Lei Mui, is also the company secretary of the REIT Manager. She is an Associate Member of the Singapore Association of the Institute of Chartered Secretaries & Administrators ("**SAICSA**").

The roles of the Company Secretary include the following:

- ensuring that board procedures of the Trustee-Manager Board are followed;

- assisting the Trustee-Manager with corporate secretarial administration matters for the Trustee-Manager, both in its personal capacity and in its capacity as manager of EH-BT, including attending all board meetings; and

- assisting the Trustee-Manager in preparing the announcements and notifications to be uploaded on the SGXNET as required under the Listing Manual.

EH-REIT

The Key Roles of the REIT Manager Board

The key roles of the REIT Manager Board are to:

- guide the corporate strategy and directions of the REIT Manager;

- ensure that senior management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise;

- oversee the proper conduct of the REIT Manager; and

- ensure that measures relating to corporate governance, financial regulations and other required policies are in place and enforced.

The REIT Manager Board will meet to review the key activities and business strategies of EH-REIT. The REIT Manager Board intends to meet regularly, at least once every three months, to deliberate the strategic policies of EH-REIT, including acquisitions and disposals, approval of the annual budget and review of the performance of EHT.

Each Director of the REIT Manager has been appointed on the basis of his professional experience and his potential to contribute to the proper guidance of EH-REIT. The Directors of the REIT Manager will contribute in different ways to further the interests of EH-REIT.

The REIT Manager Board intends to approve a set of internal controls which sets out approved limits for capital expenditure, investments and divestments, and borrowings as well as arrangements in relation to cheque signatories. In addition, sub-limits are also delegated to various management levels to facilitate operational efficiency.

The REIT Manager Board, in concurrence with the REIT Manager Audit and Risk Committee, is of the opinion that the internal controls as further described in:

- "Management and Corporate Governance – EHT – The Key Roles of the REIT Manager Board";

- "Management and Corporate Governance – EHT – Compliance Officer";

- "Management and Corporate Governance – EH-REIT – Corporate Governance of the REIT Manager – The REIT Manager Board";

- "Management and Corporate Governance – EH-REIT – Corporate Governance of the REIT Manager – The REIT Manager Audit and Risk Committee";

- "Management and Corporate Governance – EH-REIT – Corporate Governance of the REIT Manager – Dealings in Stapled Securities or, as the case may be, EH-REIT Units";

- "Management and Corporate Governance – EH-REIT – Corporate Governance of the REIT Manager – Management of Business Risk";

- "Management and Corporate Governance – EH-REIT – Corporate Governance of the REIT Manager – Potential Conflicts of Interest";
- "Management and Corporate Governance – EH-REIT – Related Party Transactions – The REIT Manager's Internal Control System";
- "Management and Corporate Governance – EH-REIT – Related Party Transactions – Role of the REIT Manager Audit and Risk Committee for Related Party Transactions";
- "Management and Corporate Governance – EH-REIT – Related Party Transactions – Related Party Transactions in Connection with the Setting Up of EH-REIT and the Offering";
- "Management and Corporate Governance – EH-REIT – Related Party Transactions – Other Related Party Transactions";
- "Management and Corporate Governance – EH-REIT – Related Party Transactions – Exempted Agreements"; and
- "Management and Corporate Governance – EH-REIT – Related Party Transactions – Future Related Party Transactions";

are adequate in addressing financial, operational and compliance risks faced by EH-REIT.

Changes to regulations and accounting standards are monitored closely by the members of the REIT Manager Audit and Risk Committee (see "Management and Corporate Governance – EH-REIT – The REIT Manager Audit and Risk Committee" for further details). To keep pace with regulatory changes, where these changes have an important bearing on the disclosure obligations of the REIT Manager or its Directors, the REIT Manager Directors will be briefed either during the meetings of the REIT Manager Board or at specially convened sessions involving the relevant professionals. The management will also provide the REIT Manager Board with complete and adequate information in a timely manner through regular updates on financial results, market trends and business developments.

Four Directors of the REIT Manager comprising more than half of the REIT Manager Board of seven directors are non-executive and independent of the management. This enables the management to benefit from their external, diverse and objective perspective on issues that are brought before the REIT Manager Board. It would also enable the REIT Manager Board to interact and work with the management through a robust exchange of ideas and views to help shape the strategic process.

The positions of Chairman of the REIT Manager Board and Chief Executive Officer and President of the REIT Manager are held by two different individuals in order to maintain effective checks and balances. The Chairman of the REIT Manager Board is Howard Wu, while the Chief Executive Officer and President is Salvatore G. Takoushian. Howard Wu is also the Chairman of the Trustee-Manager Board.

There is a clear separation of the roles and responsibilities between the Chairman and the Chief Executive Officer and President of the REIT Manager. The Chairman is responsible for the overall management of the REIT Manager Board as well as ensuring that the members of the REIT Manager Board and the management work together with integrity and competency, and that the REIT Manager Board engage the management in constructive debate on strategy, business operations, enterprise risk and other plans. The Chief Executive Officer and President has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the REIT Manager.

The REIT Manager Board has separate and independent access to senior management and the company secretary at all times. The company secretary attends to corporate secretarial administration matters and attends all Board meetings. The REIT Manager Board also has access to independent professional advice where appropriate and whenever requested.

EH-REIT

Roles and Responsibilities of the REIT Manager in relation to management of EH-REIT

The REIT Manager has general powers of management over the assets of EH-REIT. The REIT Manager's main responsibility is to manage EH-REIT's assets and liabilities for the benefit of the holders of EH-REIT Units.

The REIT Manager is responsible for formulating the business plans in relation to EH-REIT's properties. The REIT Manager will work closely with the Hotel Managers through the Master Lessees to implement EH-REIT's strategies. Further, the REIT Manager will set the strategic direction of EH-REIT and give recommendations to the REIT Trustee on the acquisition, divestment or enhancement of assets of EH-REIT in accordance with its stated investment strategy.

The REIT Manager is required under paragraph 4 of the Property Funds Appendix to hold an annual general meeting once in every calendar year and not more than 15 months after the holding of the last preceding annual general meeting, but so long as EH-REIT holds its first annual general meeting within 18 months of its date of authorisation, it need not hold it in the year of its constitution or in the following year.

The REIT Manager has covenanted in the EH-REIT Trust Deed to use its best endeavours to carry on and conduct its business in a proper and efficient manner, to ensure that EH-REIT is carried on and conducted in a proper and efficient manner and to conduct all transactions with or for EH-REIT at arm's length and on normal commercial terms.

The REIT Manager will also be responsible for ensuring that EH-REIT complies with the applicable provisions of the SFA and all other relevant legislation, the Listing Manual, the CIS Code (including the Property Funds Appendix), the EH-REIT Trust Deed, the Stapling Deed, the CMS Licence and all relevant contracts.

The REIT Manager may require the REIT Trustee to:

- while the EH-REIT Units and EH-BT Units are stapled together, lend monies to EH-BT out of the EH-REIT Deposited Property whenever the REIT Manager considers, among other things, that such lending is necessary or desirable in order to further the interests of the Stapled Securityholders as a whole; and

- borrow on behalf of EH-REIT (upon such terms and conditions as the REIT Manager deems fit, including the charging or mortgaging of all or any part of the EH-REIT Deposited Property) whenever the REIT Manager considers, among other things, that such borrowings are necessary or desirable in order to enable the REIT Trustee to meet any liabilities or whenever the REIT Manager considers it desirable that monies be borrowed or raised to:

  – finance the acquisition of any Authorised Investments, directly or indirectly, through SPVs; or

  – finance the repurchase and/or redemption of EH-REIT Units by the REIT Manager;

  – finance the distributions of EH-REIT; or

  – finance the on-lending of monies to EH-BT for the purpose of furthering the interests of Stapled Securityholders as a whole.

However, the REIT Manager must not direct the REIT Trustee to incur a borrowing, if to do so, would mean that EH-REIT's total borrowings exceed the Aggregate Leverage limit of 45.0% of the value of the EH-REIT Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash, in EH-REIT Units or, as the case may be, Stapled Securities).

In the absence of fraud, gross negligence, wilful default or breach of the EH-REIT Trust Deed or the Stapling Deed by the REIT Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the EH-REIT Trust Deed. In addition, the REIT Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as manager of EH-REIT, to have recourse to the EH-REIT Deposited Property or any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, gross negligence, wilful default or breach of the EH-REIT Trust Deed or breach of trust by the REIT Manager. The REIT Manager may, in managing EH-REIT and in carrying out and performing its duties and obligations under the EH-REIT Trust Deed, with the written consent of the REIT Trustee, appoint such persons to exercise any or all of its powers and discretions and to perform all or any of its obligations under the EH-REIT Trust Deed, provided always that the REIT Manager shall be liable for all acts and omissions of such persons as if such acts and omissions were its own.

Fees Payable to the REIT Manager

Management fees payable to the REIT Manager

The REIT Manager is entitled under the EH-REIT Trust Deed to the following management fees:

- a Base Fee not exceeding 10.0% per annum of EH-REIT's Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee); and

- a Performance Fee of 25.0% of the difference in DPS in a financial year with the DPS in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year (subject to adjustments in certain cases as set out in Schedule 2 of the EH-REIT Trust Deed).

The Performance Fee is payable if the DPS in any financial year exceeds the DPS in the preceding financial year, notwithstanding that the DPS in the financial year where the Performance Fee is payable may be less than the DPS in the financial year prior to the preceding financial year.

For the avoidance of doubt, where the DPS in a financial year is less than the DPS in any preceding financial year, the REIT Manager shall not be required to return any Performance Fee paid to it in any preceding financial year.

For the purpose of the computation of the Performance Fee only, the DPS shall be calculated based on all income of EHT arising from the operations of EHT, such as, but not limited to, rentals, interest, dividends, divestment gains (to the extent it is distributed to Stapled Securityholders) and other similar payments or income arising from the Authorised Investments (as defined herein) of EHT.

For each of Forecast Period 2019 and Projection Year 2020, the difference in DPS shall be the difference in actual DPS in such financial period or financial year with the projected DPS, as set out in the Profit Forecast and Profit Projection.

The REIT Manager may elect to receive the Base Fee and Performance Fee in the form of cash and/or Stapled Securities or, as the case may be, EH-REIT Units (as the REIT Manager may elect), in such proportions as may be determined by the REIT Manager.

Where the Base Fee and the Performance Fee are payable in the form of Stapled Securities or, as the case may be, EH-REIT Units, 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 REIT 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), in arrears.

Where the Base Fee and the Performance Fee is payable in the form of cash, such payment shall be made within 30 days of the last day of every calendar month (in relation to the Base Fee) or FY (in relation to the Performance Fee) or such other period as the REIT Manager may determine (or such longer period as the REIT Manager may determine in the event that the Base Fee cannot be computed within 30 days of the last day of the relevant period), in arrears and in the event that cash is not available to make the whole or part of such payment, then payment of such Base Fee or Performance Fee due and payable to the REIT Manager shall be deferred to the next calendar month when cash is available.

Any increase in the rate or any change in the structure of the REIT Manager's management fees must be approved by an Extraordinary Resolution at a meeting of the holders of EH-REIT Units duly convened and held in accordance with the provisions of the EH-REIT Trust Deed. For the avoidance of doubt, the REIT Manager's change in its election to receive cash or EH-REIT Units or a combination of cash and EH-REIT Units is not considered as a change in structure of the REIT Manager's management fees.

Acquisition fee and divestment fee payable to the REIT Manager

The REIT Manager is also entitled to:

- an acquisition fee of 0.75% for acquisitions from Related Parties and 1.0% for all other cases (or such lower percentage as may be determined by the REIT Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double-counting):

  (i) in the case of an acquisition of real estate, the acquisition price of any real estate purchased by EH-REIT, whether directly or indirectly through one or more SPVs, plus any other payments[1] in addition to the acquisition price made by EH-REIT or its SPV to the vendor in connection with the purchase of the real estate (pro-rated, if applicable, to the proportion of EH-REIT's interest);

  (ii) in the case of an acquisition of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value[2] of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by EH-REIT, whether directly or indirectly through one or more SPVs, plus any other payments[1] made by EH-REIT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated, if applicable, to the proportion of EH-REIT's interest); or

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1 "**other payments**" refer to additional payments to the vendor of the real estate, for example, where the vendor has already made certain payments for enhancements to the real estate, and the value of the asset enhancements are not reflected in the acquisition price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if EH-REIT acquires a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by EH-REIT as purchase price and any debt of the special purpose company.

(iii) the acquisition price of any investment purchased by EH-REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

- a divestment fee of 0.5% of any of the following as is applicable (subject to there being no double-counting):

  (i) in the case of a sale of real estate, the sale price of any real estate sold or divested by EH-REIT, whether directly or indirectly through one or more SPVs, plus any other payments[1] in addition to the sale price received by EH-REIT or its SPVs from the purchaser in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of EH-REIT's interest);

  (ii) in the case of a sale of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value[2] of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by EH-REIT, whether directly or indirectly through one or more SPVs, plus any other payments[1] received by EH-REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated, if applicable, to the proportion of EH-REIT's interest); or

  (iii) the sale price of the investment sold or divested by EH-REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

Any payment to third party agents or brokers in connection with the acquisition or divestment of any real estate of EH-REIT shall be paid out of the EH-REIT Deposited Property or the assets of the relevant SPV and not by the REIT Manager to such persons.

No acquisition fee is payable for the acquisition of the Properties. The acquisition fee and divestment fee are payable to the REIT Manager in the form of cash and/or Stapled Securities or, as the case may be, EH-REIT Units (as the REIT Manager may elect) provided that in respect of any acquisition and sale or divestment of real estate assets from/to Related Parties, such a fee should be in the form of Stapled Securities or, as the case may be, EH-REIT Units at prevailing market price(s) instead of cash. Please refer to "The Formation and Structure of EHT, EH-REIT and EH-BT – The Formation and Structure of EHT – Issue of the Stapled Securities" for further details of the calculation of the prevailing market price of the Stapled Securities. The Stapled Securities or, as the case may be, EH-REIT Units issued to the REIT Manager as its acquisition or divestment fee should not be sold within one year from the date of their issuance.

Any increase in the maximum permitted level of the acquisition fee or divestment fee must be approved by an Extraordinary Resolution passed at a meeting of holders of EH-REIT Units duly convened and held in accordance with the provisions of the EH-REIT Trust Deed.

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1 "**other payments**" refer to additional payments to EH-REIT or its SPVs for the sale of the real estate, for example, where EH-REIT or its SPVs have already made certain payments for enhancements to the real estate, and the value of the asset enhancements are not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if EH-REIT sells or divests a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity received by EH-REIT as sale price and any debt of the special purpose company.

Development management fee payable to the REIT Manager

The REIT Manager is also entitled to receive development management fees equivalent to 3.0% of the Total Project Costs incurred in a Development Project undertaken by the REIT Manager on behalf of EH-REIT. EH-REIT will only undertake development activities within the limits of the Property Funds Appendix (which currently allows a REIT to commit no more than 10.0% of its deposited property to development and investment in uncompleted property developments).

The total contract value of property development activities may exceed 10.0% of EH-REIT's Deposited Property (subject to a maximum of 25.0% of EH-REIT's Deposited Property) only if:

(i) the additional allowance of up to 15.0% of EH-REIT's Deposited Property is utilised solely for the redevelopment of an existing property that has been held by EH-REIT for at least three years and which EH-REIT will continue to hold for at least three years after the completion of the redevelopment; and

(ii) EH-REIT obtains the specific approval of Stapled Securityholders at a general meeting for the redevelopment of the property.

"**Total Project Costs**" means the sum of the following (where applicable):

(i) construction cost based on the project final account prepared by the project quantity surveyor or issued by the appointed contractor;

(ii) principal consultants fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager;

(iii) the cost of obtaining all approvals for the project;

(iv) site staff costs;

(v) interest costs on borrowings used to finance project cashflows that are capitalised to the project in line with International Financial Reporting Standards; and

(vi) any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with International Financial Reporting Standards but for the avoidance of doubt, shall not include land costs (including but not limited to the acquisition price or underlying value of such land).

When the estimated Total Project Costs are greater than US$100.0 million, the REIT Manager will be entitled to receive a development management fee equivalent to 3.0% of the Total Project Costs up to US$100.0 million. For the remaining Total Project Costs in excess of US$100.0 million, the REIT Manager's independent directors will first review and approve the quantum of the development management fee, whereupon the REIT Manager may be directed by its independent directors to reduce the development management fee. Further, in cases where the market pricing for comparable services is, in the REIT Manager's view, materially lower than the development management fee, the independent directors of the REIT Manager will have the discretion to accept a development management fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken by the REIT Manager on behalf of EH-REIT.

For the avoidance of doubt, no acquisition fee shall be paid when the REIT Manager receives the development management fee for a Development Project. Subject to the Property Funds Appendix, the development management fee shall be paid to the REIT Manager or to any person which the REIT Manager may designate or nominate in the form of cash and/or Stapled Securities.

Any increase in the percentage of the development management fee or any change in the structure of the development management fee must be approved by an Extraordinary Resolution passed at a meeting of holders of EH-REIT Units duly convened and held in accordance with the provisions of the EH-REIT Trust Deed.

(See "Overview – The Structure of EHT – Certain Fees and Charges" for further details).

Retirement or Removal of the REIT Manager

The REIT Manager shall have the power to retire in favour of a corporation approved by the REIT Trustee to act as the manager of EH-REIT.

Also, the REIT Manager may be removed by notice given in writing by the REIT Trustee if:

- the REIT Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the REIT Trustee) or a receiver is appointed over its assets or a judicial manager is appointed in respect of the REIT Manager;
- the REIT Manager ceases to carry on business;
- the REIT Manager fails or neglects after reasonable notice from the REIT Trustee to carry out or satisfy any material obligation imposed on the REIT Manager by the EH-REIT Trust Deed;
- the holders of EH-REIT Units, by a resolution duly passed by a majority greater than 50.0% of the total number of votes cast for and against such resolution with no participants being disenfranchised at a meeting of holders of EH-REIT Units duly convened and held in accordance with the provisions of the EH-REIT Trust Deed, shall so decide;
- for good and sufficient reason, the REIT Trustee is of the opinion, and so states in writing, that a change of the REIT Manager is desirable in the interests of the holders of EH-REIT Units provided that if the REIT Manager within one month after such statement expresses its dissatisfaction in writing with such opinion, the REIT Manager has a right under the EH-REIT Trust Deed to refer the matter to arbitration. Any decision made pursuant to such arbitration proceedings is binding upon the REIT Manager, the REIT Trustee and all the holders of EH-REIT Units; or
- the MAS directs the REIT Trustee to remove the REIT Manager.

Under the terms of the EH-REIT Trust Deed, upon any removal or retirement of the REIT Manager, the REIT Trustee shall appoint a new manager as soon as possible whose appointment shall be subject to (i) compliance with any or all laws, regulations and guidelines that apply to EH-REIT, and (ii) the approval of holders of EH-REIT Units by Ordinary Resolution.

Corporate Governance of the REIT Manager

The following outlines the main corporate governance practices of the REIT Manager.

The REIT Manager Board

The REIT Manager Board is responsible for the overall corporate governance of the REIT Manager including establishing goals for management and monitoring the achievement of these goals. The REIT Manager is also responsible for the strategic business direction and risk management of EH-REIT. All the REIT Manager Board members participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and review of performance of directors.

The REIT Manager Board has established a framework for the management of the REIT Manager and EH-REIT, including a system of internal controls and a business risk management process. The REIT Manager Board consists of seven members, four of whom are independent[1] directors.

The composition of the REIT Manager Board is determined using the following principles:

- the Chairman of the REIT Manager Board should be a non-executive director of the REIT Manager;
- the REIT Manager Board should comprise directors with a broad range of commercial experience in funds management, legal matters, audit and accounting and the property industry; and
- at least one-third of the REIT Manager Board should comprise independent directors.

However, according to Provision 2.2 of the Code of Corporate Governance 2018, independent directors are to make up a majority of the REIT Manager Board where the Chairman is not an independent director.

The composition of the REIT Manager Board will be reviewed regularly to ensure that the REIT Manager Board has the appropriate mix of expertise and experience.

Under the Securities and Futures (Licensing and Conduct of Business) Regulations (the "**SF(LCB)R**"), an independent director of a REIT manager is one who, pursuant to definitions used in the SF(LCB)R:

- is independent from the management of the REIT manager and the REIT that is managed or operated by the REIT manager;
- is independent from any business relationship with the REIT manager and the REIT that is managed or operated by the REIT manager;
- is independent from every substantial shareholder of the REIT manager, and every substantial unitholder of the REIT;
- is not a substantial shareholder of the REIT manager, or a substantial unitholder of the REIT that is managed or operated by the REIT manager;
- has not served as a director of the REIT Manager for a continuous period of 9 years or longer; and
- does not satisfy the conditions mentioned above, but the board of the REIT manager is satisfied that he or she is able to act in the best interests of all the unitholders of the REIT that is managed or operated by the REIT manager, as a whole.

Under the SF(LCB)R, a director is considered not to be independent from every substantial shareholder of the 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 REIT Manager. However, under the SF(LCB)R, a director who is not considered to be independent from every substantial shareholder of the REIT Manager and every substantial unitholder of EH-REIT

1 The independence of the directors in this context refers to their independence from management and business relationships with the REIT Manager.

may nevertheless be treated as an independent director of the REIT Manager if the REIT Manager 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.

The REIT Manager and the Trustee-Manager have the same shareholder and are related corporations and as EH-REIT and EH-BT are stapled, the directors of the Managers are identical to avoid any differences or deadlock in the operation of the stapled group. As a result, all four independent directors of the REIT Manager, namely Davy Lau, Tarun Kataria, Tan Wee Peng Kelvin and Carl Gabriel Florian Stubbe will *prima facie* be deemed to be connected to a substantial shareholder of the REIT Manager and hence not independent pursuant to Regulation 13H of the SF(LCB)R.

Against the foregoing, the REIT Manager Board has reviewed and assessed the independence of each of the four independent directors of the REIT 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 four independent directors is a director of both the REIT Manager and the Trustee-Manager, 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 the REIT Manager and the Trustee-Manager 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 REIT Manager Directors are independent of the Substantial Shareholders of the 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 party transactions will be absent in transactions between EH-REIT and EH-BT,

the REIT Manager Board is satisfied that the four independent directors' independent judgment and ability to act with regard to the interests of all the Stapled Securityholders of EHT as a whole will not be impaired.

Separately, the MAS has granted an exemption to the Trustee-Manager 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 Trustee-Manager Director being considered to be not independent from management and business relationships with the Trustee-Manager or from any substantial shareholder of the Trustee-Manager solely by virtue of such Trustee-Manager Director also being a director of the REIT Manager. (See "General Information – Waivers from the MAS", paragraph 17(c), for further details on the conditions for the exemption.)

Nominating and Remuneration Committee

The role of the Nominating and Remuneration Committee (the "**NRC**") is to make recommendations to the REIT Manager Board on all appointment and remuneration matters. The NRC also reviews and makes recommendations on succession plans for the REIT Manager Board and the executive officers. As at the date of this Prospectus, the members of the NRC are Carl Gabriel Florian Stubbe, Davy Lau and Taylor Woods, majority of whom are independent directors. Carl Gabriel Florian Stubbe has been appointed as the Chairman of the NRC.

The NRC's responsibilities also include:

- developing a process for evaluation of the performance of the REIT Manager Board, its board committees and directors;
- reviewing the training and professional development programs for the REIT Manager Board;
- 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 REIT Manager Board a general framework of remuneration for the REIT Manager Board and the executive officers;
- reviewing and recommending to the REIT Manager Board the specific remuneration packages for each director as well as for the executive officers; and
- reviewing EH-REIT'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 REIT Manager Board

The NRC is responsible for reviewing the succession plans for the REIT Manager Board (in particular, the Chairman). In this regard, it will put in place a formal process for the renewal of the REIT Manager Board 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 REIT Manager Board and the size of the REIT Manager Board 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 REIT Manager Board for approval.

The REIT Manager Board believes that orderly succession and renewal is achieved as a result of careful planning, where the appropriate composition of the REIT Manager Board is continually under review.

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 EH-REIT and the REIT Manager and complement the skills and competencies of the existing Directors on the REIT Manager Board;

(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 REIT Manager Board. The REIT Manager Board 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 SF(LCB)R when making such determination.

Under the Code of Corporate Governance 2018, a Director who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of EH-REIT[1], is considered to be independent. In addition, under the SF(LCB)R, an independent Director is one who:

(a) is independent from any management and business relationship with the REIT Manager and EH-REIT;

1 A director who falls under the circumstances described in Rule 210(5)(d) of the Listing Rules is not independent. These circumstances apply to the following: (i) a director being employed by REIT Manager, EH-REIT or any of their related corporations for the current or any of the past three financial years; or (ii) a director who has an immediate family member who is, or has been in any of the past three financial years, employed by the REIT Manager, EH-REIT or any of their related corporations and whose remuneration is determined by the NRC.

(b) is independent from any substantial shareholder of the REIT Manager and any substantial unitholder of EH-REIT;

(c) is not a substantial shareholder of the REIT Manager, or a substantial unitholder of EH-REIT; and

(d) has not served on the REIT Manager Board for a continuous period of 9 years or longer.

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 REIT Manager. 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 REIT Manager Board, 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.

The REIT Manager Audit and Risk Committee

The REIT Manager Audit and Risk Committee is appointed by the REIT Manager Board from among the REIT Manager Directors and is composed of three non-executive members, a majority of whom (including the Chairman of the REIT Manager Audit and Risk Committee) are required to be directors independent from management and business relationships with the REIT Manager. As at the date of this Prospectus, the members of the REIT Manager Audit and Risk Committee are Tan Wee Peng Kelvin, Tarun Kataria and Davy Lau, all of whom are independent directors. Tan Wee Peng Kelvin has been appointed as the Chairman of the REIT Manager Audit and Risk Committee.

The role of the REIT Manager Audit and Risk Committee is to monitor and evaluate the effectiveness of the REIT Manager's internal controls. The REIT Manager Audit and Risk Committee 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 REIT Manager Audit and Risk Committee's 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 REIT Manager Board at least annually the adequacy and effectiveness of the REIT Manager's and EH-REIT'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 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 REIT Manager Board on the proposals to Stapled Securityholders 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 REIT Manager's and EH-REIT'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 REIT Manager and EH-REIT.

- Approving the accounting/auditing firm or corporation to which the internal audit function is outsourced.

- Reviewing the policy and arrangements by which employees of the REIT Manager 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 the Code on Collective Investment Schemes (including the Property Funds Appendix).

- Reviewing related party transactions, including ensuring compliance with the provisions of the Listing Manual relating to "interested person transaction" ("**Interested Person Transactions**") and the provisions of the Property Funds Appendix relating to "interested party transactions" ("**Interested Party Transactions**", and together with Interested Person Transactions, "**Related Party Transactions**").

- Investigating any matters within the REIT Manager Audit and Risk Committee's purview, whenever it deems necessary.

- Obtaining recommendations on risk tolerance and strategy from management, and where appropriate, reporting and recommending to the REIT Manager Board for its determination:

  - The nature and extent of significant risks which the REIT Manager and EH-REIT 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 REIT Manager's and EH-REIT'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 REIT Manager's capability to identify and manage new risk types.

- Reviewing and monitoring management's responsiveness to the recommendations of the REIT Manager Audit and Risk Committee.

- Providing timely input to the REIT Manager Board on critical risk issues.

- Reporting to the REIT Manager Board on material matters, findings and recommendations.

- Monitoring and reviewing of hedging policies and instruments to be implemented by EH-REIT.

- Reviewing and recommending to the REIT Manager Board hedging policies and monitoring the implementation of such policies.

Dealings in Stapled Securities or, as the case may be, EH-REIT Units

Each REIT Manager Director and the Chief Executive Officer of the REIT Manager is to give notice to the REIT Manager of his acquisition of Stapled Securities or (in the event that Unstapling has taken place) EH-REIT Units or of changes in the number of Stapled Securities or, as the case may be, EH-REIT Units which he holds or in which he has an interest, within two Business Days after such acquisition or the occurrence of the event giving rise to changes in the number of the Stapled Securities or, as the case may be, EH-REIT Units which he holds or in which he has an interest (see "The Formation and Structure of EHT, EH-REIT and EH-BT – The Formation and Structure of EH-REIT – The REIT Manager Board's Declaration of Holdings of EH-REIT Units" for further details).

All dealings in the Stapled Securities or, as the case may be, EH-REIT Units by the REIT Manager Directors will be announced via SGXNET, with the announcement to be posted on the internet at the SGX-ST website http://www.sgx.com.

The directors and employees of the REIT Manager are prohibited from dealing in the Stapled Securities:

- in the period commencing one month before the public announcement of the annual results and (where applicable) property valuations, and two weeks before the public announcement of the quarterly results of EHT or (in the event that Unstapling has taken place) EH-REIT, and ending on the date of announcement of the relevant results or (as the case may be) property valuations; and

- at any time while in possession of price sensitive information.

The directors and employees of the REIT Manager are also prohibited from communicating price sensitive information to any person.

Pursuant to Section 137ZC of the SFA, the REIT Manager will be required to, inter alia, announce to the SGX-ST the particulars of any acquisition or disposal of interest in EH-REIT Units by the REIT Manager as soon as practicable, and in any case no later than the end of the Business Day following the day on which the REIT Manager became aware of the acquisition or disposal. In addition, all dealings in EH-REIT Units by the Chief Executive Officer will also need to be announced by the REIT Manager via SGXNET, with the announcement to be posted on the internet at the SGX-ST website http://www.sgx.com and in such form and manner as the Authority may prescribe.

Management of Business Risk

The REIT Manager Board will meet quarterly or more frequently if necessary and will review the financial performance of EH-REIT against the budget previously approved by the REIT Manager Board for the relevant financial year. The REIT Manager Board will also review the business risks of EH-REIT, examine liability management and will act upon any comments from both the internal and external auditors of EH-REIT.

The REIT Manager has appointed experienced and well-qualified management personnel to handle the day-to-day operations of EH-REIT. In assessing business risk, the REIT Manager 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 REIT Manager and EH-REIT and discuss any disclosure issues.

Potential Conflicts of Interest

The REIT Manager is required to prioritise the EH-REIT Unitholders' interests over those of the REIT Manager and its shareholders in the event of a conflict of interest.

The REIT Manager has instituted the following procedures to deal with conflicts of interest issues:

- The REIT Manager will not manage any other REIT which invests in the same type of properties as EH-REIT;

- All executive officers will be employed by the REIT Manager and will not hold executive positions in any other entities;

- All resolutions in writing of the REIT Manager Directors in relation to matters concerning EH-REIT must be approved by a majority of the directors, including at least one director independent from management and business relationships with the REIT Manager;

- At least one-third of the REIT Manager Board shall comprise independent directors, provided that where (i) the Chairman of the REIT Manager Board and the Chief Executive Officer is the same person, (ii) the Chairman of the REIT Manager Board and the Chief Executive Officer are immediate family members, (iii) the Chairman of the REIT Manager Board is part of the management team; (iv) the Chairman of the REIT Manager Board is not an independent director or (v) the EH-REIT Unitholder do not have the right to appoint directors, at least half the board shall comprise independent directors;

- In respect of matters in which a REIT Manager 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 REIT Manager Directors and must exclude such interested director;

- In respect of matters in which the Sponsor has an interest, direct or indirect, for example, in matters relating to:

  – potential acquisitions of additional properties or property-related investments by EH-REIT in competition with the Sponsor; and

  – competition for tenants between properties owned by EH-REIT and properties owned by the Sponsor,

any nominees appointed by the Sponsor to the REIT Manager Board to represent its interests will abstain from deliberations and voting on such matters. In such matters, the quorum must comprise a majority of the REIT Manager Directors independent from management and business relationships with the REIT Manager and must exclude nominee directors of the Sponsor;

- Save as to resolutions relating to the removal of the REIT Manager, the REIT Manager and its associates are prohibited from voting or being counted as part of a quorum for any meeting of the holders of EH-REIT Units convened to approve any matter in which the REIT Manager and/or any of its associates has an interest, and for so long as the REIT Manager is the manager of EH-REIT, the controlling shareholders of the REIT Manager and of any of its associates are prohibited from voting or being counted as part of a quorum for any meeting of the holders of EH-REIT Units convened to consider a matter in respect of which the relevant controlling shareholders of the REIT Manager and/or of any of its associates have an interest; and

- It is also provided in the EH-REIT Trust Deed that if the REIT 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 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 REIT Manager, the REIT Manager shall be obliged to consult with a reputable law firm (acceptable to the REIT Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the REIT Trustee, on behalf of EH-REIT, has a *prima facie* case against the party allegedly in breach under such agreement, the REIT Manager shall be obliged to take appropriate action in relation to such agreement. The REIT Manager Directors will have a duty to ensure that the REIT Manager so complies. Notwithstanding the foregoing, the REIT Manager shall inform the REIT Trustee as soon as it becomes aware of any breach of any agreement entered into by the REIT Trustee for and on behalf of EH-REIT with a Related Party of the REIT Manager and the REIT Trustee may take such action as it deems necessary to protect the rights of the holders of EH-REIT Units and/or which is in the interests of the holders of EH-REIT Units. Any decision by the REIT Manager not to take action against a Related Party of the REIT Manager shall not constitute a waiver of the REIT Trustee's right to take such action as it deems fit against such Related Party.

Related Party Transactions

The REIT Manager's Internal Control System

The REIT Manager has established 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

- will not be prejudicial to the interests of EH-REIT and the holders of EH-REIT Units.

As a general rule, the REIT Manager must demonstrate to the REIT Manager Audit and Risk Committee that such transactions satisfy the foregoing criteria, which may entail:

- obtaining (where practicable) quotations from parties unrelated to the REIT Manager; or

- obtaining valuations from independent professional valuers (in accordance with the Property Funds Appendix).

The REIT Manager will maintain a register to record all Related Party Transactions which are entered into by EH-REIT and the bases, including any quotations from unrelated parties and independent valuations obtained to support such bases, on which they are entered into.

The REIT Manager will also incorporate into its internal audit plan a review of all Related Party Transactions entered into by EH-REIT. The REIT Manager Audit and Risk Committee 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 complied with. In addition, the 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 REIT Manager Audit and Risk Committee. If a member of the REIT Manager Audit and Risk Committee 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 net tangible assets (based on the latest audited accounts) will be subject to review by the REIT Manager 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 net tangible assets (based on the latest audited accounts) will be subject to the review and prior approval of the REIT Manager 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 REIT Trustee with third parties which are unrelated to the REIT Manager; 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 net tangible assets (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 REIT Manager 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 the Property Funds Appendix, such transaction would have to be approved by the holders of EH-REIT Units 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 at risk. Accordingly, such transactions are excluded from aggregation with other transactions involving the same Related Parties.

Where matters concerning EH-REIT relate to transactions entered into or to be entered into by the REIT Trustee for and on behalf of EH-REIT with a Related Party of the REIT Manager (which would include relevant "associates" as defined under the Listing Manual) or EH-REIT, the 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 EH-REIT Units, 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 REIT Trustee has the ultimate discretion under the EH-REIT Trust Deed to decide whether or not to enter into a transaction involving a Related Party of the REIT Manager or EH-REIT. If the REIT Trustee is to sign any contract with a Related Party of the REIT Manager or EH-REIT, the REIT Trustee will review the contract to ensure that it complies with the relevant requirements relating to Related Party Transactions (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.

Save for the transactions described under the sections "Management and Corporate Governance – EH-REIT – Related Party Transactions – Related Party Transactions in connection with the Setting Up of EH-REIT and the Offering" and "Management and Corporate Governance – EH-REIT – Related Party Transactions – Future Related Party Transactions", EH-REIT 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 latest audited net tangible assets.

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, or (if Unstapling has occurred), EH-REIT's annual report for the relevant financial year.

Role of the REIT Manager Audit and Risk Committee for Related Party Transactions

The REIT Manager Audit and Risk Committee 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 the Property Funds Appendix.

If a member of the REIT Manager Audit and Risk Committee 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.

Related Party Transactions in connection with the setting up of EH-REIT and the Offering

The REIT Trustee, on behalf of EH-REIT, has entered into a number of transactions with the REIT Manager and certain Related Parties of the REIT Manager in connection with the setting up of EH-REIT and the Offering. These Related Party Transactions are as follows:

- On 11 April 2019, the REIT Trustee entered into the EH-REIT Trust Deed (as amended) with the REIT Manager.

- On 11 April 2019, the REIT Trustee entered into the Stapling Deed with the Managers. The terms of the EH-REIT Trust Deed and Stapling Deed are generally described in "The Formation and Structure of EHT, EH-REIT and EH-BT".

- On 17 April 2019, the REIT Trustee and the REIT Manager entered into the HW ROFR with Howard Wu. The terms of the HW ROFR are more particularly described in "Certain Agreements Relating to EHT, EH-REIT, EH-BT and the Properties – Right of First Refusal Agreements".

- On 17 April 2019, the REIT Trustee and the REIT Manager entered into the TW ROFR with Taylor Woods. The terms of the TW ROFR are more particularly described in "Certain Agreements Relating to EHT, EH-REIT, EH-BT and the Properties – Right of First Refusal Agreements".

- On 25 April 2019, the REIT Trustee entered into the Securities Purchase Agreement (as supplemented) with the USHI Portfolio Vendor and the ASAP6 Portfolio Vendors, for the acquisition of the USHI Portfolio and the ASAP6 Portfolio via the purchase of USHIL Holdco and Cayman Corp 2. The terms of the Securities Purchase Agreement (as supplemented) are generally described in "Certain Agreements Relating to EHT, EH-REIT, EH-BT and the Properties – Securities Purchase Agreement".

- On or prior to the Listing Date, each of the Founders will enter into the Indemnified Guarantee with each of the ASAP Mortgage Lenders to provide the applicable ASAP Mortgage Loan Lender with, *inter alia*, a customary non-recourse carve-out guarantee and environmental indemnity. The terms of the Indemnified Guarantee are more particularly described in "Capitalisation and Indebtedness – Indebtedness – ASAP Mortgage Loans".

EH-REIT's subsidiaries being the property-holding entities will also enter into the Master Lease Agreements with the relevant Master Lessees for the lease of the Initial Portfolio. The terms of the Master Lease Agreements are more particularly described in "Certain Agreements Relating to EHT, EH-REIT, EH-BT and the Properties – Master Lease Agreements".

Based on its experience, expertise and knowledge of contracts, the REIT Manager Board and the executive officers of EH-REIT believe that the Securities Purchase Agreement, the Master Lease Agreements and the Indemnified Guarantee are and will be made on normal commercial terms, on an arm's length basis and are not prejudicial to the interests of EH-REIT and the Stapled Securityholders.

Save as disclosed in this Prospectus, the REIT Trustee has not entered into any other transactions with the REIT Manager or any Related Party of the REIT Manager in connection with the setting up of EH-REIT.

Exempted Agreements

The entry into and the fees and charges payable by EH-REIT under:

- the EH-REIT Trust Deed;

- the Stapling Deed;

- the HW ROFR;

- the TW ROFR;

- the Securities Purchase Agreement;

- the Master Lease Agreements;

- Indemnified Guarantee,

which each constitutes an Interested Person Transaction, are deemed to have been specifically approved by Stapled Securityholders upon purchase of the Stapled Securities and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect EH-REIT.

(See "Overview – Certain Fees and Charges" for the fees and charges payable by EH-REIT in connection with the establishment and on-going management and operation of EH-REIT.)

However, any renewal of such agreements or amendments thereof will be subject to Rules 905 and 906 of the Listing Manual.

(See "– Related Party Transactions – The REIT Manager's Internal Control System" for further details.)

Other Related Party Transactions

In line with the rules set out in Chapter 9 of the Listing Manual, a transaction the value of which is less than S$100,000 is not considered material in the context of the Offering and is not set out as a Related Party Transaction in this section.

Future Related Party Transactions

As a REIT listed on the SGX-ST, EH-REIT is regulated by the Property Funds Appendix and the Listing Manual. The Property Funds Appendix regulate, among other things, transactions entered into by the REIT Trustee (for and on behalf of EH-REIT) with an Interested Party relating to EH-REIT's acquisition of assets from or sale of assets to an Interested Party, EH-REIT's investment in securities of or issued by an Interested Party and the leasing of assets to an Interested Party.

Depending on the materiality of transactions entered into by EH-REIT for the acquisition of assets from, the sale of assets to or the investment in securities of or issued by an Interested Party, the Property Funds Appendix may require that an immediate announcement to the SGX-ST be made, and may also require that the approval of the holders of EH-REIT Units be obtained.

The Listing Manual regulates all Interested Person Transactions, including transactions already governed by the Property Funds Appendix. Depending on the materiality of the transaction, EH-REIT may be required to make a public announcement of the transaction (Rule 905 of the Listing Manual), or to make a public announcement of and to obtain the prior approval of the holders of EH-REIT Units for the transaction (Rule 906 of the Listing Manual). The EH-REIT Trust Deed requires the REIT Trustee and the REIT Manager to comply with the provisions of the Listing Manual relating to Interested Person Transactions as well as such other guidelines relating to Interested Person Transactions as may be prescribed by the SGX-ST to apply to REITs.

The REIT Manager may at any time in the future seek a general annual mandate from the holders of EH-REIT Units pursuant to Rule 920(1) of the Listing Manual for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, including a general mandate in relation to leases and/or license agreements (including any Master Lease Agreements entered into by the REIT Trustee with an Interested Party) to be entered into with Interested Persons, and all transactions conducted under such general mandate for the relevant financial year will not be subject to the requirements of Rules 905 and 906 of the Listing Manual. In seeking such a general annual mandate, the REIT Trustee will appoint an independent financial adviser (without being required to consult the REIT Manager) pursuant to Rule 920(1)(b)(v) of the Listing Manual to render an opinion as to whether the methods or procedures for determining the transaction prices of the transactions contemplated under the annual general mandate are

sufficient to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of EH-REIT and the holders of EH-REIT Units.

Both the Property Funds Appendix and the Listing Manual requirements would have to be complied with in respect of a proposed transaction which is *prima facie* governed by both sets of rules. Where matters concerning EH-REIT relate to transactions entered or to be entered into by the REIT Trustee for and on behalf of EH-REIT with a Related Party of EH-REIT or the REIT Manager, the REIT Trustee is required to ensure that such transactions are conducted in accordance with applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

The REIT Manager is not prohibited by either the Property Funds Appendix or the Listing Manual from contracting or entering into any financial, banking or any other type of transaction with the REIT Trustee (when acting other than in its capacity as trustee of EH-REIT) or from being interested in any such contract or transaction, provided that any such transaction shall be on normal commercial terms and is not prejudicial to the interests of EH-REIT and the holders of EH-REIT Units. The REIT Manager shall not be liable to account to the REIT Trustee or to the holders of EH-REIT Units for any profits or benefits or other commissions made or derived from or in connection with any such transaction. The REIT Trustee shall not be liable to account to the REIT Manager or to the holders of EH-REIT Units for any profits or benefits or other commission made or derived from or in connection with any such transaction.

Generally, under the Listing Manual, the REIT Manager, its "connected persons" (as defined in the Listing Manual) and any director of the REIT Manager are prohibited from voting their respective own EH-REIT Units at, or being part of a quorum for, any meeting to approve any matter in which it has a material interest.

EH-BT

EH-BT will be dormant on the Listing Date. For as long as EH-BT is dormant, the primary role of the Trustee-Manager Board will be to ensure that the Trustee-Manager complies with the requirements under the Listing Manual, the BTA and the BTR (except where waivers have been obtained) as well as the EH-BT Trust Deed and the Stapling Deed.

Key Roles of the Trustee-Manager Board when EH-BT becomes active

When EH-BT becomes active, the key roles of the Trustee-Manager Board will be to:

- guide the corporate strategy and directions of the Trustee-Manager;
- ensure that senior management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise;
- oversee the proper conduct of the Trustee-Manager; and
- ensure that measures relating to corporate governance, financial regulations and other required policies are in place and enforced.

When EH-BT becomes active, the Trustee-Manager Board will meet to review the key activities and business strategies of the Trustee-Manager. The Trustee-Manager Board intends to meet regularly, at least once every three months, to deliberate the strategic policies of EH-BT, including acquisitions and disposals, approval of the annual budget and review of the performance of EH-BT.

Each Director of the Trustee-Manager has been appointed on the basis of his professional experience and his potential to contribute to the proper guidance of EH-BT. The Directors of the Trustee-Manager will contribute in different ways to further the interests of EH-BT.

As EH-BT is dormant on the Listing Date, there will not be an audit and risk committee and a nominating and remuneration committee constituted by the Trustee-Manager Board and the functions that will be undertaken by an audit and risk committee and a nominating and remuneration committee will be assumed by the Trustee-Manager Board. When EH-BT becomes active, the Trustee-Manager Board will put in place appropriate internal control systems.

A majority of the Trustee-Manager Board (namely four out of seven Directors) are non-executive and independent.

In the event that EH-BT becomes active, the number of directors on the Trustee-Manager Board will be a minimum of seven directors.

The positions of Chairman of the Trustee-Manager Board and Chief Executive Officer and President of the Trustee-Manager are held by two different individuals in order to maintain effective checks and balances. The Chairman of the Trustee-Manager Board is Howard Wu, while the Chief Executive Officer and President is Salvatore G. Takoushian. Howard Wu is also the Chairman of the REIT Manager Board. The Chairman is responsible for the overall management of the Trustee-Manager Board, while the Chief Executive Officer and President has full executive responsibilities over the business directions of the Trustee-Manager.

The Trustee-Manager Board has access to the Company Secretary at all times. The Company Secretary attends to corporate secretarial administration matters and attends all Board meetings. The Trustee-Manager also has access to independent professional advice where appropriate and whenever requested. (See "Management and Corporate Governance – EH-BT – Company Secretary of the Trustee-Manager" for details of the Company Secretary and her qualifications.)

Roles and Responsibilities of the Trustee-Manager in relation to the management of EH-BT

The Trustee-Manager has the dual responsibilities of safeguarding the interests of the holders of EH-BT Units, and managing the business conducted by EH-BT. The Trustee-Manager has general powers of management over the business and assets of EH-BT and its main responsibility is to manage EH-BT's assets and liabilities for the benefit of the holders of EH-BT Units as a whole.

The Trustee-Manager will set the strategic direction of EH-BT. The Trustee-Manager is also responsible for ensuring that EH-BT complies with the applicable provisions of all relevant laws, regulations and guidelines including the BTA, the SFA, the Listing Manual, the EH-BT Trust Deed and the Stapling Deed.

The Trustee-Manager is also obliged to exercise the degree of care and diligence required of a trustee-manager of a registered business trust under the BTA ("**Due Care**") to comply with the applicable provisions of all relevant legislation, as well as the Listing Manual, and is responsible for ensuring compliance with the Trust Deed and all relevant contracts entered into by the Trustee-Manager on behalf of EH-BT.

The Trustee-Manager, in exercising its powers and carrying out its duties as EH-BT's trustee-manager, is required to:

- treat the holders of EH-BT Units who hold EH-BT Units in the same class fairly and equally and holders of EH-BT Units who hold EH-BT Units in different classes (if any) fairly;

- ensure that all payments out of the EH-BT Trust Property are made in accordance with the BTA, the EH-BT Trust Deed and the Stapling Deed;

- report to the Authority any contravention of the BTA or the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005 by any other person that:

  – relates to EH-BT; and

  – has had, has or is likely to have, a material adverse effect on the interests of all the holders of EH-BT Units, or any class of holders of EH-BT Units,

  as a whole, as soon as practicable after the Trustee-Manager becomes aware of the contravention;

- ensure that the EH-BT Trust Property is properly accounted for; and

- ensure that the EH-BT Trust Property is kept distinct from the property held in its own capacity.

The Trustee-Manager may:

- while the EH-REIT Units and EH-BT Units are stapled together, lend monies to EH-REIT out of EH-BT's property whenever the Trustee-Manager considers, among other things, that such lending is necessary or desirable in order to further the interests of the investors of the Stapled Securities as a whole; and

- borrow on behalf of EH-BT (upon such terms and conditions as it deems fit, including the charging or mortgaging of all or any part of EH-BT's property) whenever the Trustee-Manager considers, among other things, that such borrowings are necessary or desirable in order to enable the Trustee-Manager to meet any contractual obligations or liabilities or whenever the Trustee-Manager considers it desirable that monies be borrowed or raised to:

  – finance the acquisition of any Authorised Investments;

  – finance the repurchase and/or redemption of EH-BT Units by the Trustee-Manager;

  – finance any distributions of EH-BT;

  – finance for any other purpose deemed desirable by the Trustee-Manager in connection with any Authorised Investment undertaken by EH-BT or any Trust Asset (as defined under the EH-BT Trust Deed); or

  – while the EH-REIT Units and EH-BT Units are stapled together, on-lend monies to EH-REIT in order to further the interests of the investors of the Stapled Securities as a whole.

EH-BT will not guarantee the financial obligations, debts or any other liabilities of EH-REIT and *vice versa*.

The Trustee-Manager also has the following statutory duties under the BTA:

- at all times act honestly and exercise reasonable diligence in the discharge of its duties as EH-BT's trustee-manager in accordance with the BTA and the EH-BT Trust Deed;

- act in the best interests of all holders of EH-BT Units as a whole and give priority to the interests of all holders of EH-BT Units as a whole over its own interests in the event of a conflict between the interests of all holders of EH-BT Units as a whole and its own interests;

- not make improper use of any information acquired by virtue of its position as EH-BT's trustee-manager to gain, directly or indirectly, an advantage for itself or for any other person to the detriment of the holders of EH-BT Units; and

- hold the EH-BT Trust Property on trust for all holders of EH-BT Units as a whole in accordance with the terms of the EH-BT Trust Deed.

Should the Trustee-Manager contravene any of the provisions setting out the aforesaid duties, it shall be:

- liable to all holders of EH-BT Units as a whole for any profit or financial gain directly or indirectly made by it or any of its related corporations or for any damage suffered by all holders of EH-BT Units as a whole as a result of the contravention; and

- guilty of an offence and shall be liable on conviction to a fine not exceeding S$100,000.

While the Trustee-Manager is required to be dedicated to the conduct of the business of EH-BT, it is not prohibited from delegating its duties and obligations to third parties. Save for an instance of fraud, gross negligence, wilful default or breach of trust by the Trustee-Manager or where the Trustee-Manager fails to exercise Due Care, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the EH-BT Trust Deed. In addition, the Trustee-Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be subject to as trustee-manager, to have recourse to the Trust Property of EH-BT or any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, gross negligence, wilful default or breach of trust by the Trustee-Manager or by the failure of the Trustee-Manager to exercise Due Care. The Trustee-Manager may, in managing EH-BT and in carrying out and performing its duties and obligations under the EH-BT Trust Deed, appoint such persons to exercise any or all of its powers and discretions and to perform all or any of its obligations under the Trust Deed, and shall not be liable for all acts and omissions of such persons provided that the Trustee-Manager had exercised Due Care in selecting as well as monitoring such persons.

Constituent Documents of the Trustee-Manager

Certain key provisions of the Constitution of the Trustee-Manager are set out below.

The power of each Trustee-Manager Director to vote on a proposal, arrangement or contract in which he is interested

Each Trustee-Manager Director who is, directly or indirectly, interested in a transaction or proposed transaction with the Trustee-Manager has to, as soon as practicable after the relevant facts have come to his knowledge, declare the nature of his interest at a meeting of the Trustee-Manager Board. A Trustee-Manager Director shall not vote in respect of any transaction, contract or arrangement or any other proposal in which he has any personal material interest, directly or indirectly. A Trustee-Manager Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is disbarred from voting.

The borrowing powers exercisable by the Trustee-Manager and how such borrowing powers may be varied

The Trustee-Manager has full rights, powers and privileges to carry on or undertake any business or activity, do any act or enter into any transaction subject to the provisions of the Companies Act, the BTA and any other written law and the Constitution of the Trustee-Manager. In this case, the business is that of acting as trustee-manager of EH-BT.

Section 28(4) of the BTA prohibits the Trustee-Manager from borrowing on behalf of EH-BT unless the power of borrowing is conferred upon it by the EH-BT Trust Deed. The EH-BT Trust Deed empowers the Trustee-Manager to borrow on behalf of EH-BT for the purpose of enabling the Trustee-Manager to meet any liabilities under or in connection with the trusts of the EH-BT Trust Deed or with any investment of EH-BT, for the purpose of financing any acquisition of any Authorised Investment on behalf of EH-BT, or financing the repurchase and/or redemption of EH-BT Units by the Trustee-Manager, or financing any distributions of EH-BT, or for any other purpose deemed desirable by the Trustee-Manager in connection with any Authorised Investment undertaken by EH-BT or any Trust Asset (as defined under the EH-BT Trust Deed), or while the EH-REIT Units and EH-BT Units are stapled together, on-lend monies to EH-REIT in order to further the interests of the investors of the Stapled Securities as a whole upon such terms and conditions as it thinks fit and, in particular, by charging or mortgaging all or any of the Trust Assets or by issuing debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Trustee-Manager, as trustee-manager of EH-BT, provided that the Trustee-Manager shall not be required to execute any instrument, lien, charge, pledge, hypothecation, mortgage or agreement in respect of the borrowing or raising of moneys which (in its opinion) cause the Trustee-Manager's liability to extend beyond the limits of the value of the EH-BT Trust Property.

Any variation of the borrowing powers as contained in the EH-BT Trust Deed would require the approval of the holders of EH-BT Units by way of an Extraordinary Resolution passed at a meeting of holders of EH-BT Units duly convened and held in accordance with the EH-BT Trust Deed and such other regulatory approvals as may be required to vary the terms of the EH-BT Trust Deed.

The retirement or non-retirement of a Trustee-Manager Director under an age limit requirement

The Constitution of the Trustee-Manager does not specify an age limit beyond which a Trustee-Manager Director shall retire.

The number of units in the business trust, if any, required for the qualification of a Trustee-Manager Director

A Trustee-Manager Director is not required to hold any EH-BT Units to qualify as a Trustee-Manager Director.

Retirement of Trustee-Manager Directors

The appointment of the directors on the Trustee-Manager Board shall continue until such time as they resign or become prohibited from being a director by reason of any order made under the Companies Act or the BTA, or cease to be a director by virtue of any of the provisions of the Companies Act or the BTA or the Constitution of the Trustee-Manager, or has a receiving order made against him or suspends payments or compounds with his creditors generally, or is found lunatic or becomes of unsound mind or is otherwise removed by way of an Ordinary Resolution passed at a meeting of the shareholder(s) of the Trustee-Manager duly convened and held.

Fees Payable to the Trustee-Manager

Management fee

The Trustee-Manager is entitled under the EH-BT Trust Deed to the following management fees:

- a Base Fee not exceeding the rate of 10.0% per annum of EH-BT's Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee); and

- a Performance Fee of 25.0% per annum of the difference in DPS in a financial year with the DPS in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year (subject to adjustments in certain cases as set out in Schedule 2 of the EH-BT Trust Deed).

The Performance Fee is payable if the DPS in any financial year exceeds the DPS in the preceding financial year, notwithstanding that the DPS in the financial year where the Performance Fee is payable may be less than the DPS in the financial year prior to the preceding financial year.

For the avoidance of doubt, where the DPS in a financial year is less than the DPS in any preceding financial year, the Trustee-Manager shall not be required to return any Performance Fee paid to it in any preceding financial year.

For the purpose of the computation of the Performance Fee only, the DPS shall be calculated based on all income of EHT arising from the operations of EHT, such as, but not limited to, rentals, interest, dividends, and other similar payments or income arising from the Authorised Investments (as defined herein) of EHT.

For each of Forecast Period 2019 and Projection Year 2020, the difference in DPS shall be the difference in actual DPS in such financial year with the projected DPS, as set out in the Profit Forecast and Profit Projection.

The Trustee-Manager may elect to receive the Base Fee and Performance Fee in the form of cash and/or Stapled Securities or, as the case may be, EH-BT Units (as the Trustee-Manager may elect), in such proportions as may be determined by the Trustee-Manager.

Where the Base Fee and the Performance Fee are payable in the form of Stapled Securities or, as the case may be, EH-BT Units, 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 Trustee-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), in arrears.

Where the Base Fee and the Performance Fee are payable in the form of cash, such payment shall be made within 30 days of the last day of every calendar month (in relation to the Base Fee) or financial year (in relation to the Performance Fee) or such other period as the Trustee-Manager may determine (or such longer period as the Trustee-Manager may determine in the event that the Base Fee cannot be computed within 30 days of the last day of the relevant period), in arrears and in the event that cash is not available to make the whole or part of such payment, then payment of such Base Fee or Performance Fee due and payable to the Trustee-Manager shall be deferred to the next calendar month when cash is available.

Any increase in the rate or any change in the structure of the Trustee-Manager's management fees must be approved by an Extraordinary Resolution at a meeting of the holders of EH-BT Units duly convened and held in accordance with the provisions of the EH-BT Trust Deed. For the avoidance of doubt, the Trustee-Manager's change in its election to receive cash or EH-BT Units or a combination of cash and EH-BT Units is not considered as a change in structure of the Trustee-Manager's management fees.

Trustee fee

Under the EH-BT Trust Deed, 0.1% per annum of the value of the EH-BT Trust Property and subject to a minimum fee of US$10,000 per month, if any, shall be paid to the Trustee-Manager as trustee fees, provided that the value of the EH-BT Trust Property is at least US$50.0 million and EH-BT is active.

For the purpose of calculating the trustee fee, if EH-BT holds only a partial interest in any of its EH-BT Trust Property, such EH-BT Trust Property shall be pro-rated in proportion to the partial interest held.

The trustee fee shall be payable in arrears on a quarterly basis in the form of cash.

Acquisition fee and divestment fee payable to the Trustee-Manager

The Trustee-Manager is entitled to:

- an acquisition fee of 0.75% for acquisitions from Related Parties and 1.0% for all other cases (or such lower percentage as may be determined by the Trustee-Manager in its absolute discretion) of any of the following as is applicable (subject to there being no double counting):

  (i) in the case of an acquisition of real estate, the acquisition price of any real estate purchased by EH-BT, whether directly or indirectly through one or more SPVs, plus any other payments[1] in addition to the acquisition price made by EH-BT or its SPVs to the vendor in connection with the purchase of the real estate (pro-rated if applicable to the proportion of EH-BT's interest);

  (ii) in the case of an acquisition of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value[2] of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate, purchased by EH-BT, whether directly or indirectly through one or more SPVs, plus any other payments[1] made by EH-BT or its SPVs to the vendor in connection with the purchase of such equity interests (pro-rated if applicable to the proportion of EH-BT's interest); or

  (iii) the acquisition price of any investment purchased by EH-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

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1 "**other payments**" refer to additional payments to the vendor of the real estate, for example, where the vendor has already made certain payments for enhancements to the real estate, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if EH-BT acquires a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by EH-BT as purchase consideration and any debt of the special purpose company.

- a divestment fee of 0.5% of any of the following as is applicable (subject to there being no double-counting):

  (i) in the case of a sale of real estate, the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by EH-BT, plus any other payments[1] in connection with the sale or divestment of the real estate (pro-rated if applicable to the proportion of EH-BT's interest);

  (ii) in the case of a sale of the equity interests of any vehicle holding directly or indirectly the real estate, the underlying value[2] of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested by EH-BT, whether directly or indirectly through one or more SPVs, plus any other payments[1] received by the EH-BT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests (pro-rated if applicable to the proportion of EH-BT's interest); or

  (iii) the sale price of the investment sold or divested by EH-BT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

The acquisition fee and divestment fee are payable to the Trustee-Manager in the form of cash and/or Stapled Securities or, as the case may be, EH-BT Units as the Trustee-Manager may elect, and in such proportion as may be determined by the Trustee-Manager.

The acquisition fee or, as the case may be, the divestment fee is payable as soon as practicable after the completion of the acquisition of the Authorised Investment or, as the case may be, the completion of the sale or disposal. For so long as the Stapled Securities or, as the case may be, EH-BT Units are listed, when acquisition fee or, as the case may be, the divestment fee are payable in the form of Stapled Securities or, as the case may be, EH-BT Units, the Trustee-Manager shall be entitled to receive such number of Stapled Securities or, as the case may be, EH-BT Units as may be purchased with the relevant amount of the acquisition fee or, as the case may be, the divestment fee at an issue price equivalent to the "market price". Please refer to "The Formation and Structure of EHT, EH-REIT and EH-BT – The Formation and Structure of EHT – Issue of the Stapled Securities" for further details of the calculation of the prevailing market price of the Stapled Securities.

Any increase in the rate or any change in the structure of the Trustee-Manager's management fee and trustee fee, or in the maximum permitted level of the acquisition fee or divestment fee, must be approved by an Extraordinary Resolution passed at a meeting of holders of EH-BT Units duly convened and held in accordance with the provisions of the EH-BT Trust Deed.

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1 "**other payments**" refer to additional payments to EH-BT or its SPVs for the sale of the real estate, for example, where EH-BT or its SPVs have already made certain payments for enhancements to the real estate, and the value of the asset enhancements are not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if EH-BT sells or divests a special purpose company which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity received by EH-BT as sale price and any debt of the special purpose company.

Development management fee payable to the Trustee-Manager

The Trustee-Manager is also entitled to receive development management fees equivalent to 3.0% of the Total Project Costs incurred in a Development Project undertaken by the Trustee-Manager on behalf of EH-BT.

Where the estimated Total Project Costs are greater than US$100.0 million, the Trustee-Manager will be entitled to receive a development management fee equivalent to 3.0% of the Total Project Costs up to US$100.0 million. For the remaining Total Project Costs in excess of US$100.0 million, the Trustee-Manager's independent directors will first review and approve the quantum of the development management fee whereupon the Trustee-Manager may be directed to reduce the development management fee. Further, in cases where the market pricing for comparable services is materially lower than the development management fee, the Trustee-Manager shall have the discretion to accept a development management fee which is less than 3.0% of the total project Costs incurred in a Development Project undertaken by the Trustee-Manager on behalf of EH-BT.

For the avoidance of doubt, no acquisition fee shall be paid when the Trustee-Manager receives the development management fee for a Development Project.

Any increase in the percentage of the development management fee or any change in the structure of the development management fee must be approved by an Extraordinary Resolution passed at a meeting of holders of EH-BT Units duly convened and held in accordance with the provisions of the EH-BT Trust Deed.

(See "Overview – The Structure of EHT – Certain Fees and Charges" for further details).

Retirement or Removal of the Trustee-Manager

Under the BTA, the Trustee-Manager may only be removed, as trustee-manager of EH-BT, if a resolution to remove the Trustee-Manager is approved by holders of EH-BT Units holding in the aggregate not less than three-fourths of the voting rights of all the holders of the EH-BT Units who, being entitled to do so, vote in person or where proxies are allowed, by proxy present at a meeting of the holders of EH-BT Units or the Trustee-Manager may resign as trustee-manager. Any removal or resignation of the Trustee-Manager must be made in accordance with such procedures as the MAS may prescribe. Any purported change of the trustee-manager of a registered business trust is ineffective unless it is made in accordance with the BTA.

The Trustee-Manager will remain the trustee-manager of EH-BT until another person is appointed by:

- the holders of EH-BT Units to be the trustee-manager of EH-BT; or
- the court under Section 21(1) of the BTA to be the temporary trustee-manager of EH-BT,

and such appointment shall be effective from the date stated in the resolution of the holders of EH-BT Units or court order as the effective date of the appointment of the trustee-manager or temporary trustee-manager, as the case may be.

Pursuant to Section 21(1) of the BTA, upon application by the MAS or the Trustee-Manager or a holder of EH-BT Units, the court may, by order, appoint a company that has consented in writing to serve as a temporary trustee-manager to be the temporary trustee-manager of EH-BT for a period of three months if the court is satisfied that the appointment is in the interest of the holders of EH-BT Units.

The temporary trustee-manager of EH-BT is required, within such time and in accordance with such requirements as may be prescribed by the MAS, to take such steps to enable the holders of EH-BT Units to appoint another person as the trustee-manager (not being a temporary trustee-manager) of EH-BT.

Corporate Governance of the Trustee-Manager

The BTA stipulates requirements and obligations in respect of corporate governance that are more stringent than those for companies and collective investment schemes. Corporate governance of companies and collective investment schemes are governed by the Code of Corporate Governance 2018 and, in the case of collective investment schemes, the CIS Code. The Code of Corporate Governance 2018 and the CIS Code only set out broad principles for guidance while the regime under the BTA sets out the requirements for, among other things, board composition of a trustee-manager and independence of directors of a trustee-manager. The following is a summary of the material provisions of the BTA insofar as they relate to the Trustee-Manager Board.

Composition of the Trustee-Manager Board

Under Regulation 12(1) of the BTR, the Trustee-Manager Board is required to comprise:

- at least a majority of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager;

- at least one-third of Trustee-Manager Directors who are independent from management and business relationships with the Trustee-Manager and from every Substantial Shareholder of the Trustee-Manager; and

- at least a majority of Trustee-Manager Directors who are independent from any single Substantial Shareholder of the Trustee-Manager.

The Trustee-Manager Board consists of seven members, four of whom are Independent Directors for the purposes of the BTA.

In addition to compliance with requirements under the BTA, the composition of the Trustee-Manager Board is determined using the following principles:

- the Chairman of the Trustee-Manager Board should be a non-executive Director;

- the Trustee-Manager Board should consist of Directors with a broad range of commercial experience including expertise in funds management, legal matters, audit and accounting and the property industry; and

- at least one-third of the Trustee-Manager Board should comprise independent directors

However, according to Provision 2.2 of the Code of Corporate Governance 2018, independent directors are to make up a majority of the Trustee-Manager Board where the Chairman is not an independent director.

The composition of the Trustee-Manager Board will be reviewed regularly to ensure that the Trustee-Manager Board has the appropriate mix of expertise and experience.

Independence of the Trustee-Manager Directors

A majority of the Trustee-Manager Directors must be independent from management and business relationships with the Trustee-Manager.

(i) Independence from management and business relationships

To be considered to be independent from management and business relationships with the Trustee-Manager (whether or not the Trustee-Manager is acting for or on behalf of EH-BT or EHT), a Trustee-Manager Director must not have any:

- management relationships with the Trustee-Manager or with any of its subsidiaries; and
- business relationships with the Trustee-Manager or with any of its related corporations, or with any officer of the Trustee-Manager or any of its related corporations,

that could interfere with the exercise of his independent judgment with regard to the interests of all the holders of EH-BT Units as a whole.

(ii) Independence from management relationships

A Trustee-Manager Director is not considered to be independent from management relationships with the Trustee-Manager if:

- he is employed by the Trustee-Manager or by any of its subsidiaries, or has been so employed, at any time during the current financial year or any of the preceding three financial years of the Trustee-Manager;
- any member of his immediate family:
  - is being employed by the Trustee-Manager or by any of its subsidiaries as an executive officer whose compensation is determined by the Trustee-Manager Board or the subsidiary, as the case may be; or
  - has been so employed at any time during the current financial year or any of the preceding three financial years of the Trustee-Manager; or
- he is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the management of the Trustee-Manager or any of its subsidiaries.

(iii) Independence from business relationships

A Trustee-Manager Director is not considered to be independent from business relationships with the Trustee-Manager or with any of its related corporations, or with any officer of the Trustee-Manager or any of its related corporations, if:

- he is a Substantial Shareholder of the Trustee-Manager, a director or an executive officer of any corporation, or a sole proprietor or partner of any firm, where such corporation, sole proprietorship or firm carries on business for purposes of profit to which the Trustee-Manager or any of its related corporations has made, or from which the Trustee-Manager or any of its related corporations has received, payments (whether or not the Trustee-Manager is acting for or on behalf of EH-BT or EHT) at any time during the current or immediately preceding financial year of the Trustee-Manager; or

- he is receiving or has received compensation from the Trustee-Manager or any of its related corporations, other than remuneration received for his service as an Trustee-Manager Director or as an employee of the Trustee-Manager or any of its related corporations, at any time during the current or immediately preceding financial year of the Trustee-Manager.

(iv) Independence from Substantial Shareholders of the Trustee-Manager

A Trustee-Manager Director is considered to be independent from a Substantial Shareholder of the Trustee-Manager if he is not that Substantial Shareholder or is not connected to that Substantial Shareholder.

The Trustee-Manager Director is connected to the Substantial Shareholder if:

- in the case where the Substantial Shareholder is an individual, the Trustee-Manager Director is:
  - a member of the immediate family of the Substantial Shareholder;
  - a partner of a firm of which the Substantial Shareholder is also a partner; or
  - accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Substantial Shareholder; or
- in the case where the Substantial Shareholder is an corporation, the Trustee-Manager Director is:
  - employed by the Substantial Shareholder;
  - employed by a subsidiary or an associated company (as defined in the Securities and Futures (Offers of Investments) (Business Trusts) (No. 2) Regulations 2005) of the Substantial Shareholder;
  - a director of the Substantial Shareholder;
  - an executive director of a subsidiary or an associated company of the Substantial Shareholder;
  - a non-executive director of a subsidiary or an associated company of the Substantial Shareholder, where the subsidiary or associated company is not the Trustee-Manager;
  - a partner of a firm of which the Substantial Shareholder is also a partner; or
  - accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Substantial Shareholder.

None of the Trustee-Manager Directors would, by definition under the BTR, be independent from a Substantial Shareholder as the Managers are indirectly 51% owned by Howard Wu and 49% owned by Taylor Woods. The Founders are the co-founders of the Sponsor and they each own 50% of the common equity interests in the Sponsor.

Operationally, the structure of EHT would require a high degree of co-operation between the Managers. In order for EH-REIT and EH-BT to function effectively, it is important that the Managers co-operate with each other in, for example:

- sharing accounting and other information as may be necessary or desirable to fulfil their respective obligations under the stapling deed;
- preparing and providing financial information to investors;
- holding general meetings;
- issuing Stapled Securities; and
- making distributions.

The MAS has granted an exemption from the requirement for the Trustee-Manager Directors to be independent from the Substantial Shareholders of the Trustee-Manager while EH-REIT is stapled to EH-BT, subject to certain conditions, on the basis that there will be no real prejudice to the interests of the holders of EH-BT Units as the EH-BT Units and EH-REIT Units will be stapled together and held by the same investors. The stapling together of EH-BT Units and EH-REIT Units means that the holders of EH-BT Units are at the same time the investors of the Stapled Securities, who stand to benefit as a whole regardless of whether the appointed Trustee-Manager Directors are independent of the Substantial Shareholders of the Trustee-Manager. Since the EH-REIT Units and EH-BT Units are held by the same pool of investors in the same proportion, concerns and potential abuses applicable to interested party transactions will be absent in transactions between EH-REIT and EH-BT.

Dealings in Stapled Securities or, as the case may be, EH-BT Units

Currently, the BTA requires each Trustee-Manager Director to give notice in writing to the Trustee-Manager of his acquisition of Stapled Securities or (in the event that Unstapling has taken place) EH-BT Units or changes in the number of Stapled Securities, or (as the case may be) EH-BT Units which he holds or in which he has an interest, within two Business Days after the date on which the Trustee-Manager Director became a director of the Trustee-Manager or the date of such acquisition or the occurrence of the event giving rise to changes in the number of Stapled Securities, or (as the case may be) EH-BT Units which he holds or in which he has an interest.

Pursuant to Section 137N of the SFA, each Trustee-Manager Director and the Trustee-Manager Chief Executive Officer is required to give notice in writing to the Trustee-Manager of, among other things, particulars of his interest in EH-BT Units or of changes in the number of EH-BT Units which he has an interest, within two Business Days after the date on which the Trustee-Manager Director or Trustee-Manager Chief Executive Officer became a director or chief executive officer of the Trustee-Manager or the date on which he acquires an interest in the EH-BT Units or he becomes aware of the occurrence of the event giving rise to changes in the number of EH-BT Units in which he has an interest.

All dealings in Stapled Securities by the Trustee-Manager Directors and the Chief Executive Officer of the Trustee-Manager, will be announced via SGXNET, with the announcement to be posted on the internet at the SGX-ST website http://www.sgx.com.

The directors and employees of the Trustee-Manager are prohibited from dealing in the Stapled Securities or (as the case may be) EH-BT Units:

- in the period commencing one month before the public announcement of the annual results and (where applicable) property valuations, and two weeks before the public announcement of the quarterly results of EHT or (in the event that Unstapling has taken place) EH-BT, and ending on the date of announcement of the relevant results or (as the case may be) property valuations; and

- at any time while in possession of price sensitive information.

The directors and employees of the Trustee-Manager are also prohibited from communicating price sensitive information to any person.

Pursuant to Section 137R of the SFA, the Trustee-Manager is required to announce to the SGX-ST the particulars of its holdings in the EH-BT Units and any changes thereto as soon as practicable and in any case no later than the end of the Business Day in Singapore following the day on which it acquires or, as the case may be, disposes of any EH-BT Units.

Management of Business Risk

The following will be put in place by the Trustee-Manager to manage business risk when EH-BT becomes active.

The Trustee-Manager Board will meet quarterly or more frequently if necessary and will review the financial performance of EH-BT against the budget previously approved by the Trustee-Manager Board for the relevant financial year. The Trustee-Manager Board will also review the business risks of EH-BT, examine liability management and will act upon any comments from both the internal and external auditors of EH-BT.

In assessing business risk, the Trustee-Manager Board will consider the economic environment and risks relevant to the property industry. 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 Trustee-Manager and EH-BT and discuss any disclosure issues.

Interested Person Transactions and Potential Conflicts of Interest

In general, transactions between:

- an entity at risk (in this case, the Trustee-Manager (acting in its capacity as the trustee-manager of EH-BT) or any of the subsidiaries or associated companies of EH-BT); and

- any of the Interested Persons (namely the Trustee-Manager (acting in its personal capacity), a related corporation or related entity of the Trustee-Manager (other than a subsidiary or subsidiary entity of EH-BT), an associated company or associated entity of the Trustee-Manager (other than an associated company or associated entity of EH-BT) (as defined in the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018), a Director, Chief Executive Officer or controlling shareholder of the Trustee-Manager, a controlling Stapled Securityholder or an associate of any such Director, Chief Executive Officer, controlling shareholder or controlling Stapled Securityholder),

would constitute an Interested Person Transaction.

The Trustee-Manager's Internal Control System

The Trustee-Manager will establish an internal control system to ensure that all future Interested Person Transactions:

- will be undertaken on normal commercial terms in accordance with the relevant laws, regulations and guidelines that apply to EH-BT; and

- will not be prejudicial to the interests of EH-BT and Stapled Securityholders.

The Trustee-Manager will maintain a register to record all Interested Person Transactions which are entered into by EH-BT and the bases, including any quotations from unrelated parties obtained to support such bases, on which they are entered into.

The Trustee-Manager will also incorporate into its internal audit plan a review of all Interested Person Transactions entered into by EH-BT.

Where matters concerning EH-BT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of EH-BT with a Related Party of the Trustee-Manager (which would include relevant associates thereof) or EH-BT, the Trustee-Manager 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-BT and Stapled Securityholders; and

- in accordance with all applicable requirements of the Listing Manual and the BTA relating to the transaction in question.

If the Trustee-Manager is to sign any contract with a Related Party of the Trustee-Manager or EH-BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (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 business trusts.

Save for the transactions described under "Management and Corporate Governance – EH-BT – Interested Person Transactions and Potential Conflicts of Interest – Interested Person Transactions in Connection with the Setting up of EH-BT", 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 during the same financial year, is 3.0% or more of EH-BT's latest audited net tangible assets. The aggregate value of all Interested Person Transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in EH-BT's annual report for the relevant financial year.

Interested Person Transactions in connection with the setting up of EH-BT

The Trustee-Manager, on behalf of EH-BT, entered into a number of transactions with certain Interested Persons in connection with the setting up of EH-BT. These Interested Person Transactions are as follows:

- The Trustee-Manager entered into the EH-BT Trust Deed in connection with the setting up of EH-BT. The Trustee-Manager has also entered into the Stapling Deed with the REIT Manager and REIT Trustee. The terms of the EH-BT Trust Deed and Stapling Deed are generally described in "The Formation and Structure of EHT, EH-REIT and EH-BT".

Based on its experience, expertise and knowledge of contracts, the Trustee-Manager believes that the agreement above are made on normal commercial terms, on an arm's length basis and are not prejudicial to the interests of EH-BT and the Stapled Securityholders.

Exempted Agreements

The entry into and the fees and charges payable by EH-BT under the EH-BT Trust Deed and the Stapling Deed, which each constitutes an Interested Person Transaction, are deemed to have been specifically approved by Stapled Securityholders upon purchase of the Stapled Securities and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect EH-BT. However, the renewal of such agreements or amendments thereof will be subject to Rules 905 and 906 of the Listing Manual. (See "Overview – Certain Fees and Charges" for the fees and charges payable by EH-BT in connection with the establishment of EH-BT.)

Any renewal of such agreements or amendments thereof will be subject to Rules 905 and 906 of the Listing Manual. (See "Management and Corporate Governance – EH-BT – Interested Person Transactions and Potential Conflicts of Interest – The Trustee-Manager's Internal Control System" for further details.)

Future Interested Person Transactions

EH-BT is regulated by the Listing Manual and the BTA. The Listing Manual and the BTA regulate all Interested Person Transactions. Depending on the materiality of the transaction, EH-BT may be required to make a public announcement of the transaction (pursuant to Rule 905 of the Listing Manual), or to make a public announcement of and to obtain the prior approval of Stapled Securityholders for the transaction (pursuant to Rule 906 of the Listing Manual). Section 86 of the BTA further requires (i) the Trustee-Manager Board to make a written statement in accordance with a resolution of the Trustee-Manager Board and signed by not less than two Trustee-Manager Directors on behalf of the Trustee-Manager Board certifying that, among other things, the relevant Interested Person Transaction is not detrimental to the interests of all Stapled Securityholders as a whole based on the circumstances at the time of the transaction, and (ii) the Chief Executive Officer of the Trustee-Manager to, in his or her personal capacity, make a written statement certifying that he or she is not aware of any violation of duties of the Trustee-Manager that would have a material adverse effect on the business of EH-BT and the interests of all Stapled Securityholders as a whole. These statements must be annexed to the profit and loss accounts of EH-BT in its annual financial statements.

In addition to these written statements, Section 87 of the BTA also requires the Trustee-Manager Board to attach to EH-BT's profit and loss accounts, a statement of policies and practices in relation to management and governance of EH-BT containing such information as prescribed by Regulation 20 of the BTR including, among other things, a description of measures put in place by the Trustee-Manager to review Interested Person Transactions in relation to EH-BT.

The EH-BT Trust Deed requires the Trustee-Manager to comply with the provisions of the Listing Manual relating to Interested Person Transactions as well as the BTA and such other guidelines relating to Interested Person Transactions as may be prescribed by the MAS or the SGX-ST applying to business trusts.

The Trustee-Manager may at any time in the future seek a general annual mandate from Stapled Securityholders pursuant to Rule 920(1) of the Listing Manual for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations with Interested Persons, and all transactions conducted under such a general mandate for the relevant financial year will not be subject to the requirements under Rules 905 and 906 of the Listing Manual. In seeking such a general annual mandate, the Trustee-Manager will appoint an independent financial adviser pursuant to Rule 920(1)(b)(v) of the Listing Manual to render an opinion as to

whether the methods or procedures for determining the transaction prices of the transactions contemplated under the annual general mandate are sufficient in an effort to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of EH-BT and Stapled Securityholders.

Both the BTA and the Listing Manual requirements would have to be complied with in respect of a proposed Interested Person Transaction that is *prima facie* governed by both sets of rules. Where matters concerning EH-BT relate to transactions entered or to be entered into by the Trustee-Manager for and on behalf of EH-BT with an Interested Person (as defined under the Listing Manual and/or the BTA), the Trustee-Manager is required to ensure that such transactions are conducted in accordance with applicable requirements of the Listing Manual, the BTA and/or such other applicable guidelines relating to the transaction in question.

Potential Conflicts of Interest

The Trustee-Manager is required to prioritise EH-BT Unitholders' interests over those of the Trustee-Manager and its shareholders in the event of a conflict of interest.

The Trustee-Manager has instituted the following procedures to deal with potential conflict of interest issues:

- All key executive officers will be employed by the Trustee-Manager and will not hold executive positions in other entities;

- All resolutions in writing of the Trustee-Manager Directors in relation to matters concerning EH-BT must be approved by at least a majority of the Trustee-Manager Directors (excluding any interested Director), including at least one independent Trustee-Manager Director;

- At least one-third of the Trustee-Manager Board shall comprise independent directors, provided that where the (i) the Chairman of the Trustee-Manager Board and the Chief Executive Officer is the same person, (ii) the Chairman of the Trustee-Manager Board and the Chief Executive Officer are immediate family members, (iii) the Chairman of the Trustee-Manager Board is part of the management team; (iv) the Chairman of the Trustee-Manager Board is not an independent director or (v) the EH-BT Unitholders do not have the right to appoint directors, at least half the Trustee-Manager Board shall comprise independent directors;

- In respect of matters in which a Trustee-Manager 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 Trustee-Manager Directors and must exclude such interested director;

- In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, for example, in matters relating to:

    - potential acquisitions of additional properties or property-related investments by EH-BT in competition with the Sponsor; and/or

    - competition for tenants, hotel management operators and Hotel Franchisors between properties owned by EH-BT and properties owned by the Sponsor;

- any nominees appointed by the Sponsor and/or its subsidiaries to the Trustee-Manager Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the independent Trustee-Manager directors and must exclude nominee directors of the Sponsor and/or its subsidiaries;

- Where matters concerning EH-BT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of EH-BT with a Related Party of the Trustee-Manager (which would include relevant associates thereof) or the EH-BT, the Trustee-Manager Board 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 Trustee-Manager is to sign any contract with a Related Party of the Trustee-Manager or EH-BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (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;

- Save as to resolutions relating to the removal of the Trustee-Manager, the Trustee-Manager and its associates are prohibited from voting or being counted as part of a quorum for a meeting of the EH-BT Unitholders convened to approve any matter in which the Trustee-Manager and/or any of its associates has an interest, and for so long as the Trustee-Manager is the manager of the EH-BT, the controlling shareholders (as defined in the Listing Manual) of the Trustee-Manager and of any of its associates are prohibited from voting or being counted as part of a quorum for any meeting of the EH-BT Unitholders convened to consider a matter in respect of which the relevant controlling shareholders of the Trustee-Manager and/or any of its associates have an interest; and

- It is also provided in the EH-BT Trust Deed that if the 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 Trustee-Manager for and on behalf of EH-BT with a Related Party of the Trustee-Manager, the Trustee-Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee-Manager) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee-Manager, on behalf of the EH-BT, has a *prima facie* case against the party allegedly in breach under such agreement, the Trustee-Manager shall be obliged to take appropriate action in relation to such agreement. The Trustee-Manager Directors (including the independent directors) will have a duty to ensure that the Trustee-Manager so complies.

It should be noted that under Section 6(3) of the BTA, the Trustee-Manager is prohibited from carrying on any business other than the management and operation of EH-BT as its trustee-manager.

ANNUAL REPORTS

So long as EH-REIT is stapled to EH-BT, an annual report covering the period incorporating disclosures as required under the Listing Manual and all relevant laws (including the Property Funds Appendix) will be issued by EHT within the timeframe as set out in the Listing Manual and the CIS Code, and at least 14 days before the annual general meeting of Stapled Securityholders, containing, among other things, the following key items:

(a) details of all real estate transactions entered into during the accounting period including the identity of the buyers or sellers, purchase or sale prices, and their valuations (including the methods used to value the assets);

(b) details of EH-REIT's and (if applicable) EH-BT's real estate assets, their purchase prices and latest valuations, rentals received and occupancy rates, or the remaining terms of EH-REIT's leasehold properties, where applicable;

(c) the tenant profile of EH-REIT's real estate assets, including the:

(A) total number of tenants;

(B) top 10 tenants, and the percentage of the total gross rental income attributable to each of these top 10 tenants;

(C) trade sector mix of tenants, in terms of the percentage of total gross rental income attributable to major trade sectors;

(D) lease maturity profile, in terms of the percentage of total gross rental income, for each of the next five years; and

(E) weighted average lease expiry of both EH-REIT's portfolio and new leases entered into during the year (and the proportion of revenue attributed to these leases). The weighted average lease expiry should be calculated based on the date of commencement of the leases;

(d) in respect of the other assets of EH-REIT, details of the:

(A) 10 most significant holdings (including the amount and percentage of fund size at market valuation); and

(B) distribution of investments in dollar and percentage terms by country, asset class (e.g. equities, mortgage-backed securities, bonds, etc.) and by credit rating of all debt securities (e.g. "AAA", "AA", etc.);

(e) details of EH-REIT's exposure to financial derivatives, including the amount (i.e. net total aggregate value of contract prices) and percentage of derivatives investment of total fund size and at market valuation;

(f) details of EH-REIT's investments in other property funds, including the amount and percentage of total fund size invested in;

(g) details of borrowings of EH-REIT and the maturity profile of the borrowings;

(h) details of deferred payment arrangements entered into by EH-REIT, if applicable;

(i) the total operating expenses of EH-REIT, including all fees and charges paid to the manager, adviser and interested parties (in both absolute terms, and as a percentage of EH-REIT's NAV as at the end of the financial year) and taxation incurred in relation to EH-REIT's real estate assets;

(j) the distributions declared by EH-REIT for the financial year;

(k) the performance of EH-REIT in a consistent format, covering various periods of time (e.g. one-year, three-year, five-year or 10-year) whereby:

(A) in the case where EH-REIT is unlisted, such performance is calculated on an "offer to bid" basis over the period; or

(B) in the case where EH-REIT is listed, such performance is calculated on the change in the Unit price transacted on the stock exchange over the period;

(l) its NAV per unit at the beginning and end of the financial year; and

(m) where EH-REIT is listed, the unit price quoted on the SGX-ST at the beginning and end of the financial year, the highest and lowest Unit price and the volume traded during the financial year;

(n) the amount of rental support payments received by EH-REIT during the financial year and the effect of these payments on EH-REIT's DPU;

(o) where the rental support arrangement is embedded in a master lease arrangement, the difference between the amount of rents derived under the master lease arrangement during the financial year and the projected market rents of the underlying leases for that financial year as computed at the time of entry or renewal of the master lease arrangement;

(p) any material deviation of actual DPU from forecast DPU, together with detailed explanations for the deviation; and

(q) such other items which may be required to be disclosed under the prevailing applicable laws, regulations and rules.

The first report will cover the period from the Listing Date to 31 December 2019.

Additionally, EHT will announce the NAV of EH-REIT and EH-BT on a quarterly basis. The announcement of the NAV of EH-REIT and EH-BT will be based on the latest available valuation of the real estate of EH-REIT and EH-BT, which will be conducted at least once a year (as required under the Property Funds Appendix). The first such valuation will be conducted by 31 December 2019.

The Trustee-Manager Board is also required under Section 86 of the BTA to make a written statement, in accordance with a board resolution and signed by not less than two directors on behalf of the Trustee-Manager Board, certifying that:

(i) fees or charges paid or payable out of the EH-BT Trust Property to the Trustee-Manager are in accordance with the EH-BT Trust Deed;

(ii) Interested Person Transactions are not detrimental to the interests of all the holders of EH-BT Units as a whole based on the circumstances at the time of the transaction; and

(iii) The Trustee-Manager Board is not aware of any violation of duties of the Trustee-Manager which would have a materially adverse effect on the business of EH-BT or on the interests of all the holders of EH-BT Units as a whole.

Such statement must be attached to the profit and loss accounts of EH-BT.

THE SPONSOR

The Sponsor, Urban Commons, LLC is a privately-held real estate investment and development firm which managed the USHI Portfolio and is active across a range of property types with a specific emphasis on hotels. Founded in 2008 and headquartered in Los Angeles, United States, the Sponsor has a highly experienced and dedicated team of staff responsible for its business activities including acquisitions, development, finance, accounting, and asset management. The Sponsor aims to deliver strong risk-adjusted returns using a value-add investment strategy in top-tier US metropolitan statistical areas.

Since inception, the Sponsor has completed 38 real estate acquisition and divestment transactions. As at 31 December 2018, the Sponsor has total assets under management of approximately more than US$1.0 billion including 14 hospitality assets of which 12 represent the USHI Portfolio.

The Sponsor manages and/or owns 12 properties under various stages of entitlement and development, spanning hospitality, multifamily, retail, and assisted living. The current estimated value of these developments, subject to final development plans and date of completion, is in excess of US$800 million upon completion.

Track Record in Hospitality Assets

The Sponsor has deep experience in managing and investing in hotels, having managed the USHI Portfolio previously and having steadily built up its portfolio and has approximately 4,115 rooms under management as at 31 December 2018. As an independent owner of its hotel portfolio assets, it contracts with global and reputable franchisors and brands with strong distribution capabilities, such as HWHI, IHG and Marriott. Upon acquisition, the Sponsor aims to optimise and improve the utilisation, branding, performance and management of the hotels through the following methods:

- **Optimising Under-utilised Hotels**: The Sponsor optimises the utilisation of hotels through capital expenditure, design and operational changes to enhance and expand the services, facilities, and amenities. This might include adding a food and beverage venue or repurposing unused lobby space.

- **Re-branding of Hotels**: The Sponsor analyses market offerings, reviews competitive landscapes and analyses available franchise openings to determine a suitable franchise which would enhance the performance of the hotel. The Sponsor employs prominent, global brands with service requirements that are right-sized for that particular property, guests, and labour market.

- **Enhancing Underperforming Hotels**: The Sponsor enhances the performance of its hotels by assessing the market drivers, competitive landscape and guest expectations, to ultimately determine the enhancements required for the hotel to fulfil its potential. The Sponsor may refine revenue management strategies, such as shifting focus to long-term corporate contracts that provide a recurring and stable income stream. Changing property managers to one more suited for that particular brand or geographic area may also be considered to optimise the performance of the hotel.

- **Renovating Under-capitalised Hotels**: The Sponsor incurs capital expenditure on the hotels and is involved in the selection of the design, renewal, and renovation scale, resulting in the up-branding or brand re-alignment of the hotels. Where properties are distressed or bought out of foreclosure, deferred maintenance can often be a pressing issue that, when addressed, has a material improvement on the guest experience.

The Sponsor has a track record of creating value in its hotel properties through the various strategies above and a summary of the approach undertaken for the properties included in the offering is set out in the Business & Properties section of the Prospectus.

(See "Business and Properties – Initial Portfolio of EHT".)

Key Hospitality Milestones

The Sponsor's extensive experience within hospitality specifically is demonstrated by the following hospitality-specific milestones:

2011:	Acquired hotel located in Norwalk, Los Angeles County, California
	Acquired Holiday Inn & Suites Anaheim(1)
2012:	Acquired Embassy Suites Anaheim North(1)
	Acquired The Westin Sacramento(1)
	Acquired hotel located in Costa Mesa, Orange County, California
2013:	Acquired hotel development site in Grover Beach, California
	Acquired Four Points by Sheraton San Jose Airport(1)
	Acquired Embassy Suites by Hilton Palm Desert(1)
	Acquired Holiday Inn Hotel & Suites San Mateo(1)
2014:	Acquired hotel development site in Newport Beach, California
	Acquired Sheraton Pasadena(1)
	Acquired Ramada Hialeah
	Acquired Crowne Plaza Danbury(1)
	Acquired Holiday Inn Resort Orlando Suites – Waterpark(1)
2015:	Acquired Holiday Inn Denver East – Stapleton(1)
	Acquired Renaissance Denver Stapleton(1)
2016:	Acquired hotel development site in Los Angeles, California
	Acquired The Queen Mary Long Beach(1)
	Sale of hotel located in Norwalk, Los Angeles County, California
	Sale of hotel located in Costa Mesa, Orange County, California
2018:	Acquired hotel located in New York City

Note:

(1) Denotes property managed on behalf of U.S. Hospitality Investments LLC and included in the Initial Portfolio.

THE FORMATION AND STRUCTURE OF EHT, EH-REIT AND EH-BT

The Deeds are complex documents and the following is a summary only and is qualified in its entirety by, and is subject to, the contents of the Deeds. Investors should refer to the Deeds themselves to confirm specific information or for a detailed understanding of EHT, EH-REIT and EH-BT. A copy of the Stapling Deed and the EH-REIT Trust Deed are available for inspection at the registered office of the REIT Manager while a copy of the Stapling Deed and the EH-BT Trust Deed are available for inspection at the registered office of the Trustee-Manager.

THE FORMATION AND STRUCTURE OF EHT

EHT is a hospitality stapled group comprising units in EH-REIT and EH-BT. The EH-REIT Units and EH-BT Units are stapled together under the terms of the Stapling Deed and cannot be traded separately. The EH-REIT Units and EH-BT Units together form the Stapled Securities, and are treated as one instrument. EH-REIT cannot issue (including the issue of partly paid units), transfer, register the transfer, consolidate or divide, redeem or buy back or cancel any of its units, unless the same action occurs in respect of EH-BT, and *vice versa.*

As at the Listing Date, EH-BT will be dormant. It will, however, become active if any of the following occurs:

- It is appointed by EH-REIT as a Master Lessee of a Property. EH-BT will not, however, manage or operate any of the hotels in EH-REIT's portfolio, and the intention is for EH-BT to appoint a Hotel Manager to manage that hotel. EH-BT exists primarily as "a master lessee of last resort" with regard to the Properties so that in the event that the Master Lessees terminate or do not renew the Master Lease Agreements beyond their initial terms and EH-REIT is unable to lease any of the Properties to another master lessee for any reason, including failing to reach agreement on commercially favourable terms with other potential master lessees, then EH-BT will enter into a master lease agreement for the Property on substantially the same terms as the previous Master Lease Agreement (see "The Formation and Structure of EHT, EH-REIT and EH-BT – The Formation and Structure of EH-BT" for further details);

- EH-REIT acquires hotels in the future, and, if there are no other suitable master lessees, leases these acquired hotels to EH-BT. EH-BT will then become a master lessee for that hotel and will appoint a Hotel Manager to manage that hotel, where such hotel management fees will be borne by the EH-BT (as master lessee); or

- EH-BT expands into other activities on its own such as project development and asset acquisitions.

Further, through EH-BT, EHT may undertake certain hospitality-related development projects, acquisitions and investments which may not be suitable for EH-REIT. EH-BT may thus acquire and/or invest in properties in its own name.

EH-REIT will not guarantee any debt of EH-BT, and *vice versa.* This will help to shield each entity from the other's financial obligations because each entity's creditors will not have recourse to the other.

The Stapling Deed

The EH-REIT Units and EH-BT Units are stapled together under the terms of the Stapling Deed. The Stapling Deed is governed by the laws of Singapore. In the event of any inconsistencies, the terms and conditions of the Stapling Deed takes precedence over the respective constitutions of the two entities forming EHT namely, the EH-REIT Trust Deed and the EH-BT Trust Deed.

Under the terms of the Stapling Deed, EH-REIT and EH-BT must co-operate with each other in all matters concerning the Stapled Securities and must make available to each other all information in their possession as may be necessary or desirable to fulfil their respective obligations under the Stapling Deed. EH-REIT and EH-BT must also keep confidential any information obtained concerning the affairs or assets of the other.

Notwithstanding the above, EH-REIT and EH-BT will remain separate entities. The Stapling Deed does not create any association, joint venture or partnership between EH-REIT and EH-BT for any purpose or authorising the sharing of the benefits of any assets (and any profits therefrom).

The Stapling Deed requires each Stapled Securityholder to hold the same number of EH-REIT Units and EH-BT Units. These units are stapled, meaning that an individual EH-REIT Unit may not be transferred, or otherwise dealt with, without the other corresponding stapled EH-BT Unit and vice versa. The units that together form each of the Stapled Securities are treated as one instrument for trading purposes. Each of the entities in EHT must not issue (including the issue of partly paid units and options), transfer, register the transfer, consolidate or divide, redeem or buy back or cancel any of the instruments that constitute the Stapled Securities unless the same action occurs in respect of the other constituent instruments and vice versa. For example, a takeover relating to EHT would need to apply to all components of the Stapled Securities.

In addition, so long as the EH-REIT Units and EH-BT Units are stapled together, in relation to:

- ***Co-operation*** – The Managers must co-operate with each other to ensure that each entity complies with its obligations under the Stapling Deed, the EH-REIT Trust Deed or, as the case may be, the EH-BT Trust Deed, the Companies Act, the SFA, the BTA, the Listing Manual, the Property Funds Appendix and any other legislation and regulations that may be relevant, as applicable;

- ***Administration*** – EH-REIT and EH-BT must co-operate with each other to carry out all the activities necessary for the administration of EHT such as developing and maintaining investor relations, including but not limited to customer service to investors, register analysis, information coordination and distribution, coordination of investor and analyst briefing and marketing, coordination of media releases and SGX-ST announcements (if applicable); corporate branding; and liaising with and responding to queries from the public in relation to EHT;

- ***Issue price*** – The Managers must agree from time to time the proportion of the issue price, the repurchase price or buy-back price of a Stapled Security which is to represent the issue price, the repurchase price or the buy-back price of each unit comprising the Stapled Security. The allocation of this amount is to be determined by agreement between the Managers before the issue, redemption or buy-back of the Stapled Security;

- ***Options*** – An offering or issue of options over the Stapled Securities may only take place if it is part of a concurrent offering or issue of options in EH-REIT Units and EH-BT Units. An option may only be exercised if, at the same time as EH-REIT Units are acquired under one option, the same person exercises an option over an identical number of units in EH-BT;

- ***Meetings*** – The directors or other representatives of the Managers may attend and speak at any meeting of the holders of EH-REIT Units and any meeting of the holders of EH-BT Units or invite any other person to attend and speak. If permitted by the Companies Act, any meeting of the holders of EH-REIT Units and any meeting of the holders of EH-BT Units may be held with and as part of a joint meeting of the holders of each entity. At any such joint meeting, on a poll, each Stapled Securityholder has one vote per Stapled Security;

- ***Joint expenses*** – All fees, costs, charges and expenses properly and reasonably incurred by the REIT Manager, the REIT Trustee and the Trustee-Manager in the carrying out of their duties under the Stapling Deed shall be paid in accordance with any agreement between the REIT Manager, the REIT Trustee and the Trustee-Manager. If the REIT Manager, the REIT Trustee and the Trustee-Manager are unable to reach agreement, the expenses will be borne equally between EH-REIT and EH-BT;

- ***Interests of Stapled Securityholders*** – So long as EH-REIT Units remain stapled to EH-BT Units, in exercising any power or discretion, (i) the REIT Manager, the REIT Trustee and the Trustee-Manager may have regard to the interests of Stapled Securityholders as a whole and not only to the interests of the holders of EH-REIT Units or holders of EH-BT Units separately; (ii) the REIT Manager shall exercise all due diligence and vigilance to safeguard the rights and interests of Stapled Securityholders whose rights and interests shall prevail in the event of a conflict of interests between the REIT Manager and the shareholder(s) of the REIT Manager collectively, and Stapled Securityholders; and (iii) the Trustee-Manager shall exercise all due diligence and vigilance to safeguard the rights and interests of Stapled Securityholders whose rights and interests shall prevail in the event of a conflict of interests between the Trustee-Manager and the shareholder(s) of the Trustee-Manager collectively, and Stapled Securityholders; and

- ***Allocation of funds*** – The Managers have the flexibility to allocate funds between EH-REIT and EH-BT.

Subject to the Companies Act, the SFA, the BTA, the Listing Manual, the CIS Code (including the Property Funds Appendix) and any other relevant legislation or regulations, EH-REIT and EH-BT may agree to cause the stapling of any further security to the Stapled Securities. Any such "attached securities" may be governed by the laws of a jurisdiction other than Singapore, and in the case of units in a trust constituted outside Singapore, subject to the grant by the MAS (at its discretion) of the relevant exemption under Singapore law if and when such stapling occurs. For the purposes of any such stapling, EH-REIT and EH-BT may make an in-specie distribution of securities to Stapled Securityholders.

Unstapling

From 11 April 2019, all Stapled Securities will remain stapled for so long as the Stapled Securities remain in issue, unless otherwise determined by (a) Extraordinary Resolutions passed by the holders of EH-REIT Units and the holders of EH-BT Units respectively, and prior approval from the SGX-ST for such Unstapling; or (b) if stapling becomes unlawful or prohibited by the relevant laws, regulations and guidelines, and with notification provided to the SGX-ST prior to such Unstapling; or (c) if either EH-REIT or, as the case may be, EH-BT is terminated or (as the case may be) wound up.

On and from the occurrence of an abovementioned Unstapling event, the Managers must procure that EH-REIT Units and EH-BT Units are unstapled. The Stapling Deed will cease to be of effect from that point in time except in relation to certain on-going obligations stated in the Stapling Deed.

If, as a consequence of Unstapling, the EH-REIT Units and the EH-BT Units are no longer stapled, the Managers must promptly:

- repay any outstanding amount (including any interest thereon) under any loan given to it by the other stapling entity prior to Unstapling, unless the other party agrees otherwise;

- pay any outstanding amounts (including any interests thereon) which the REIT Manager or the Trustee-Manager has agreed is its responsibility to repay (unless the Managers otherwise agree); and

- obtain a release from the other stapling entity from any guarantee or other security given by that other stapling entity on its behalf to any person.

Issue of the Stapled Securities

The following is a summary of the provisions of the Deeds relating to the issue of Stapled Securities, on the assumption that the EH-REIT Units will remain stapled to the EH-BT Units.

The Managers have the joint exclusive right to issue Stapled Securities. The provisions of the Deeds provide that for so long as EHT is listed on the SGX-ST or such other stock exchange of repute in any part of the world ("**Recognised Stock Exchange**") and EH-REIT Units remain stapled to EH-BT Units, the Managers may, in accordance with the Deeds and such laws, rules and regulations as may be applicable (including the provisions of the Listing Manual), issue further Stapled Securities on any Business Day at an issue price per Stapled Security equal to the "market price", without prior approval of the holders of EH-REIT Units and EH-BT Units. However, Stapled Securityholders should note that the right of the Managers to issue Stapled Securities is subject to the following:

(a) pursuant to the Listing Rules and Section 36 of the BTA (in the case of EH-BT), Stapled Securityholders must give prior approval to the Managers (whether by way of a general mandate or by way of a specific approval) by Ordinary Resolution in general meetings of the holders of EH-REIT Units and general meetings of the holders of EH-BT Units before the Managers can jointly issue additional Stapled Securities.

(b) pursuant to the Listing Rules, the scope of the general mandate to be given in a general meeting of the holders of EH-REIT Units is limited to the issue of an aggregate number of additional EH-REIT Units which must not exceed 50.0% of the total number of EH-REIT Units in issue, of which the aggregate number of additional EH-REIT Units to be issued other than on a *pro rata* basis to the existing holders of EH-REIT Units must not exceed 20.0% of the total number of EH-REIT Units in issue excluding treasury EH-REIT Units (the "**EH-REIT Unit Issue Mandate**");

(c) similarly, pursuant to the Listing Rules, the scope of the general mandate to be given in a general meeting of the holders of EH-BT Units is limited to the issue of an aggregate number of additional EH-BT Units which must not exceed 50.0% of the total number of EH-BT Units in issue, of which the aggregate number of additional EH-BT Units to be issued other than on a *pro rata* basis to the existing holders of EH-BT Units must not exceed 20.0% of the total number of EH-BT Units in issue excluding treasury EH-BT Units (the "**EH-BT Unit Issue Mandate**"); and

(d) pursuant to Rule 804 and Rule 805 of the Listing Manual, the REIT Manager may not issue any new EH-REIT Units without the prior approval of the holders of EH-REIT Units in a general meeting, unless a general mandate for the issuance of new EH-REIT Units is obtained from the holders of EH-REIT Units and is still in force, subject to the limits specified in the Listing Rules. Similarly, pursuant to Section 36 of the BTA relating to the issue of new

units in a business trust, the Trustee-Manager may not issue any new EH-BT Units without the prior approval of the holders of EH-BT Units in a general meeting, unless a general mandate for the issuance of new EH-BT units is obtained from the holders of EH-BT Units and is still in force.

For the purposes of the paragraph above, "**market price**" shall mean (i) the volume weighted average price per Stapled Security (if applicable, of the same class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which EHT is listed, in the ordinary course of trading, for the period of 10 Business Days (or such other period as prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day or, (ii) where the Managers believe that such market price is not a fair reflection of the market price of a Stapled Security (which may include, among others, instances where there is disorderly trading activity in the Stapled Securities), such amount as determined between the REIT Manager, the Trustee-Manager and the REIT Trustee (after consultation with a stockbroker approved by the REIT Trustee), as being the fair market price of a Stapled Security.

The Managers shall comply with the Listing Rules or the listing rules of such relevant Recognised Stock Exchange in determining the issue price, including the issue price for a rights issue on a pro-rata basis to all existing Stapled Securityholders, the issue price of a Stapled Security issued other than by way of a rights issue offered on a pro-rata basis to all existing Stapled Securityholders, the issue price for any reinvestment of distribution arrangement, the issue price of any Stapled Securities which are issued as full or partial consideration of an Authorised Investment by EH-REIT or EH-BT and the issue price for a conversion of instruments which may be convertible into Stapled Securities.

Where the Stapled Securities are issued as full or partial consideration for the acquisition of an Authorised Investment in conjunction with an issue of Stapled Securities to raise cash for the balance of the consideration for the said investment (or part thereof) or for acquiring other investments in conjunction with the said investment, the Managers shall have the discretion to determine that the issue price of the Stapled Securities so issued as consideration shall be the same as the issue price for the Stapled Securities issued in conjunction with an issue of Stapled Securities to raise cash for the aforesaid purposes.

If in connection with an issue of a Stapled Security, any requisite payment of the issue price for such Stapled Security has not been received by the REIT Trustee and the Trustee-Manager before the seventh Business Day after the Stapled Security was agreed to be issued (or such other date as the Managers may agree), the Managers may cancel its agreement to issue such Stapled Security by giving notice to that effect, such Stapled Security will be deemed never to have been issued or agreed to be issued. In such an event, the Managers:

- shall be entitled to charge the investor (and retain the same for their own account) a cancellation fee of such amount as the Managers may from time to time determine to represent the administrative costs involved in processing the application for such Stapled Security from such applicant; and

- may, but shall not be bound to, require the applicant to pay to the Managers for the account of EH-REIT in respect of each Stapled Security so cancelled an amount (if any) by which the issue price of such Stapled Security exceeds the repurchase price applying if such Stapled Security was requested to have been repurchased or redeemed on the same day.

Stapled Security Issue Mandate

By subscribing for the Stapled Securities pursuant to or in connection with the Offering, Stapled Securityholders are deemed to have approved, (A) the issuance of the Stapled Securities pursuant to or in connection with the Offering, the Sponsor Stapled Securities and the Cornerstone Stapled Securities and (B) deemed to have given the authority (the "**Stapled Security Issue Mandate**") to the Managers to:

(i) (a) issue Stapled Securities whether by way of rights, bonus or otherwise; and/or

(b) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Stapled Securities to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Stapled Securities,

at any time and upon such terms and conditions and for such purposes and to such persons as the Managers may in their absolute discretion deem fit; and

(ii) issue Stapled Securities in pursuance of any Instrument made or granted by the Managers while the Stapled Security Issue Mandate was in force (notwithstanding that the authority conferred by the Stapled Security Issue Mandate may have ceased to be in force at the time such Stapled Securities are issued),

provided that:

(A) the aggregate number of Stapled Securities to be issued pursuant to the Stapled Security Issue Mandate (including Stapled Securities to be issued in pursuance of Instruments made or granted pursuant to the Stapled Security Issue Mandate) shall not exceed 50.0% of the total number of issued Stapled Securities (excluding treasury Stapled Securities, if any) (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Stapled Securities to be issued other than on a *pro rata* basis to Stapled Securityholders shall not exceed 20.0% of the total number of issued Stapled Securities (excluding treasury Stapled Securities, if any) (as calculated in accordance with sub-paragraph (B) below);

(B) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Stapled Securities that may be issued under sub-paragraph (A) above, the total number of issued Stapled Securities (excluding treasury Stapled Securities, if any) shall be based on the number of issued Stapled Securities (excluding treasury Stapled Securities, if any) after completion of the Offering, after adjusting for any subsequent bonus issue, consolidation or subdivision of Stapled Securities;

(C) in exercising the Stapled Security Issue Mandate, the Managers shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST), the EH-REIT Trust Deed and the EH-BT Trust Deed for the time being in force (unless otherwise exempted or waived by the MAS);

(D) (unless revoked or varied by Stapled Securityholders in a general meeting) the authority conferred by the Stapled Security Issue Mandate shall continue in force until (i) the conclusion of the first annual general meeting of EHT or (ii) the date by which first annual general meeting of EHT is required by applicable regulations to be held, whichever is earlier;

(E) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Stapled Securities into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Managers are authorised to issue additional Instruments or Stapled Securities pursuant to such adjustment notwithstanding that the authority conferred by the Stapled Security Issue Mandate may have ceased to be in force at the time the Instruments or Stapled Securities are issued; and

(F) the Managers and the REIT Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such other documents as may be required) as the Managers or, as the case may be, the REIT Trustee, may consider expedient or necessary or in the interest of EHT to give effect to the authority conferred by the Stapled Security Issue Mandate.

Unless revoked or varied by Stapled Securityholders in a general meeting, such authority shall continue in full force until the conclusion of the first annual general meeting of EHT or the date by which the first annual general meeting is required by law to be held, whichever is the earlier.

EH-REIT's and EH-BT's first financial year will be from 11 April 2019 to 31 December 2019. Accordingly, EH-REIT and EH-BT will hold their first annual general meeting by 10 October 2020, which is within 18 months from the date of authorisation of EH-REIT and the date of registration of EH-BT. The Stapled Security Issue Mandate will be in force until that date.

Suspension of Issue of the Stapled Securities

The REIT Manager, the REIT Trustee or the Trustee-Manager may, with the prior approval of the others, and subject to the Listing Manual (while EHT is listed on the SGX-ST) or the listing rules of any other Recognised Stock Exchange (where the Stapled Securities are listed on such other Recognised Stock Exchange), suspend the issue of the Stapled Securities during any of the following events:

- any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;

- the existence of any state of affairs which, in the opinion of the REIT Manager, the REIT Trustee or as the case may be, the Trustee-Manager, might seriously prejudice the interests of Stapled Securityholders as a whole, the EH-REIT Deposited Property or, as the case may be, the EH-BT Trust Property;

- any breakdown in the means of communication normally employed in determining the price of any investments of EHT or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange, or when for any reason the prices of any assets of EHT cannot be promptly and accurately ascertained;

- any period when remittance of money which will or may be involved in the realisation of any investments of EHT or (if relevant) in the payment for such asset of EHT cannot, in the opinion of the REIT Manager, the Trustee-Manager or, as the case may be, the REIT Trustee, be carried out at normal rates of exchange;

- any period where the issuance of the Stapled Securities is suspended pursuant to any order or direction issued by the MAS or other relevant regulatory authorities;

- in relation to any general meeting of the holders of EH-REIT Units or the holders of EH-BT Units, any 72-hour period before such general meeting or any adjournment thereof; or

- when the business operations of the REIT Manager, the REIT Trustee or the Trustee-Manager in relation to EH-REIT or, as the case may be, EH-BT are substantially interrupted or closed as a result of, or arising from, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the REIT Manager, the Trustee-Manager or, as the case may be, the REIT Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised (as set out above) exists, upon the declaration in writing thereof by the REIT Manager, the REIT Trustee or, as the case may be, the Trustee-Manager.

In the event of any suspension while EHT is listed on the SGX-ST and/or any other Recognised Stock Exchange(s), the Managers shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.

Redemption of the Stapled Securities

When EHT is listed on the SGX-ST and/or any other Recognised Stock Exchange

The Managers are not obliged to repurchase or cause the redemption of Stapled Securities so long as EHT is listed on the SGX-ST and/or any other Recognised Stock Exchange. It is intended that Stapled Securityholders may only deal in their listed Stapled Securities through trading on the SGX-ST. However, under the Stapling Deed, the Managers must consult and agree with each other on the terms for the repurchase and/or redemption of the Stapled Securities prior to taking any action. In the event the Managers decide to repurchase and/or cause the redemption of the Stapled Securities, such repurchase and/or redemption must be carried out in accordance with the Stapling Deed, the EH-REIT Trust Deed and the EH-BT Trust Deed, subject to compliance with the relevant laws, regulations and guidelines and the listing rules of the SGX-ST and/or the listing rules of any other relevant Recognised Stock Exchange and applicable laws, regulations and guidelines.

The Managers may also, subject to all applicable laws, regulations and guidelines, the listing rules of the SGX-ST and/or any other Recognised Stock Exchange, suspend the repurchase or redemption of the Stapled Securities for any period when the issue of the Stapled Securities is suspended pursuant to the terms and conditions of the Stapling Deed.

(See "The Formation and Structure of EHT, EH-REIT and EH-BT – The Formation and Structure of EHT – Suspension of Issue of the Stapled Securities" for further details.)

When EHT is Unlisted

When EHT is Unlisted, the Managers may but are not obliged to repurchase or cause the redemption of Stapled Securities more than once a year in accordance with the rules of the Listing Manual and/or the listing rules of such Recognised Stock Exchange and all other applicable laws, regulations and guidelines and a Stapled Securityholder has no right to request for the repurchase or redemption of Stapled Securities more than once a year. "**Unlisted**" in this context 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 Stapled Securities, means having been suspended for more than 60 consecutive calendar days from being listed, quoted or traded on the SGX-ST or, as the case may be, any other Recognised Stock Exchange.

Relevant Legislation Applicable to EHT

EH-REIT is principally a Singapore-based hospitality and hospitality-related asset REIT constituted by the EH-REIT Trust Deed and is principally regulated by the SFA, the CIS Code, the Companies Act, Property Funds Appendix, other relevant legislation and regulations as well as the EH-REIT Trust Deed.

EH-BT is a business trust constituted by the EH-BT Trust Deed and is principally regulated by the BTA, the SFA, other relevant legislation and regulations as well as the EH-BT Trust Deed.

The Take-Over Code

Stapled Securityholders must closely adhere to the Take-Over Code in respect of any acquisitions or investments as REITs and business trusts are subject to the Take-Over Code.

Under the Take-Over Code, any person acquiring an interest, either individually or with parties acting in concert, in 30.0% or more of the Stapled Securities may be required to extend a takeover offer for the remaining Stapled Securities in accordance with the Take-Over Code. A mandatory takeover offer is also required to be made if a person holding between 30.0% and 50.0% inclusive of the Stapled Securities, either individually or in concert, acquires an additional 1.0% or more of the Stapled Securities in any six-month period under the Take-Over Code.

THE FORMATION AND STRUCTURE OF EH-REIT

EH-REIT is constituted by the EH-REIT Trust Deed. It is principally regulated by the SFA and the CIS Code (including the Property Funds Appendix), other relevant regulations as well as the Stapling Deed and the EH-REIT Trust Deed. EH-REIT was authorised as a collective investment scheme by the Authority on 16 May 2019.

The terms and conditions of the EH-REIT Trust Deed shall be binding on each holder of EH-REIT Units (and persons claiming through such holder of EH-REIT Units) as if such holder of EH-REIT Units had been a party to the EH-REIT Trust Deed and as if the EH-REIT Trust Deed contains covenants by such holder of EH-REIT Units to do all such acts and things as the EH-REIT Trust Deed may require the REIT Manager and/or the REIT Trustee to do.

Operational Structure

EH-REIT is constituted to invest in real estate and real estate-related assets and the REIT Manager must manage EH-REIT so that the principal investments of EH-REIT are real estate and real estate-related assets (including ownership of companies or other legal entities whose primary purpose is to hold or own real estate or real estate-related assets). The principal investment strategy of EH-REIT is to invest 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, located in the US, as well as real estate-related assets in connection with the foregoing.

EH-REIT aims to generate returns for the holders of EH-REIT Units by owning, buying and managing such properties in line with its investment strategy (including selling any property that has reached a stage that offers only limited scope for growth).

Subject to the restrictions and requirements in the CIS Code (including the Property Funds Appendix) and the Listing Manual, the REIT Manager is also authorised under the EH-REIT Trust Deed to invest in investments other than real estate. Although the REIT Manager may use certain financial derivative instruments to the extent permitted by such laws, rules and regulations as may be applicable including, but not limited, to the CIS Code (including the Property Funds Appendix) and the Listing Manual, the REIT Manager presently does not have any intention for EH-REIT to invest in options, warrants, commodities, futures contracts and precious metals.

The EH-REIT Trust Deed

While the EH-REIT Units remain stapled to the EH-BT Units, the terms and conditions of the EH-REIT Trust Deed shall be binding on each Stapled Securityholder (and persons claiming through such Stapled Securityholders) as if such Stapled Securityholder had been a party to the EH-REIT Trust Deed and as if the EH-REIT Trust Deed contains covenants by such Stapled Securityholder to observe and be bound by the provisions of the EH-REIT Trust Deed and an authorisation by each Stapled Securityholder to do all such acts and things as the EH-REIT Trust Deed may require the REIT Manager and/or the REIT Trustee to do.

The provisions of the SFA and the CIS Code (including the Property Funds Appendix) prescribe certain terms of the EH-REIT Trust Deed and certain rights, duties and obligations of the REIT Manager, the REIT Trustee and (while EH-REIT Units remain stapled to EH-BT Units) Stapled Securityholders under the EH-REIT Trust Deed. The Property Funds Appendix also imposes certain restrictions on REITs in Singapore, including a restriction on the types of investments which REITs in Singapore may hold, a general limit on their level of borrowings and certain restrictions with respect to Interested Party Transactions. To the extent of any inconsistency between the obligations of the REIT Manager under the EH-REIT Trust Deed and the Stapling Deed, the provisions of the Stapling Deed will prevail.

The EH-REIT Units and the holders of EH-REIT Units

The rights and interests of the holders of EH-REIT Units are contained in the EH-REIT Trust Deed. Under the EH-REIT Trust Deed, these rights and interests are safeguarded by the REIT Trustee.

Each EH-REIT Unit represents an undivided interest in EH-REIT. Holders of EH-REIT Units have no equitable or proprietary interest in the EH-REIT Deposited Property and are not entitled to the transfer to them of the EH-REIT Deposited Property (or any part thereof) or of any estate or interest in the EH-REIT Deposited Property (or any part thereof). The rights of holders of EH-REIT Units under the EH-REIT Trust Deed are limited to the right to require due administration of EH-REIT in accordance with the provisions of the EH-REIT Trust Deed, including, without limitation, by suit against the REIT Trustee or the REIT Manager.

Under the EH-REIT Trust Deed, each holder of EH-REIT Units acknowledges and agrees that it will not commence or pursue any action against the REIT Trustee or the REIT Manager seeking an order for specific performance or for injunctive relief in respect of the EH-REIT Deposited Property (or any part thereof), including all its Authorised Investments, and waives any rights it may otherwise have to such relief. If the REIT Trustee or the REIT Manager breaches or threatens to breach its duties or obligations to the holders of EH-REIT Units under the EH-REIT Trust Deed, the holders of EH-REIT Units have recourse against the REIT Trustee or the REIT Manager but this is limited to a right to recover damages or compensation from the REIT Trustee or the REIT Manager in a court of competent jurisdiction, and the holder of EH-REIT Units acknowledges and agrees that damages or compensation is an adequate remedy for such breach or threatened breach.

Further, unless otherwise expressly provided in the EH-REIT Trust Deed, a holder of EH-REIT Units may not interfere or seek to interfere with the rights, powers, authority or discretion of the REIT Manager or the REIT Trustee, exercise any right in respect of the EH-REIT Deposited Property (or any part thereof) or lodge any caveat or other notice affecting the EH-REIT Deposited Property or any of the EH-REIT Deposited Property, or require that any of the EH-REIT Deposited Property be transferred to such holders of EH-REIT Units.

No certificate shall be issued to a holder of the EH-REIT Units by either the REIT Manager or the REIT Trustee in respect of EH-REIT Units issued to the holders of EH-REIT Units. For so long as EHT is listed, quoted and traded on the SGX-ST, the REIT Manager shall, appoint CDP as the unit

depository for EH-REIT in respect of all scripless EH-REIT Units in accordance with CDP's depository services terms and conditions relating to the deposit of EH-REIT Units in CDP ("**Depository Services Terms and Conditions**"). Stapled Securities, and all EH-REIT Units issued as part of the Stapled Securities will be represented by entries in both the register of the holders of EH-REIT Units kept by the REIT Trustee or the agent appointed by the REIT Trustee and the register of Stapled Securityholders jointly kept by the REIT Trustee and the Trustee-Manager or their agents in the name of, and deposited with, CDP as the registered holder of such Stapled Securities.

The Managers or their jointly appointed agent shall issue to CDP not more than 10 Business Days after the issue of Stapled Securities a confirmation note confirming the date of issue and the number of Stapled Securities so issued and, if applicable, also stating that Stapled Securities are issued under a moratorium and the expiry date of such moratorium and for the purposes of the EH-REIT Trust Deed and the Stapling Deed, such confirmation note shall be deemed to be a certificate evidencing title to the EH-REIT Units and the corresponding Stapled Securities issued.

There are no restrictions under the Stapling Deed, the EH-REIT Trust Deed, the EH-BT Trust Deed or Singapore law on a person's right to purchase (or subscribe for) EH-REIT Units and to own the EH-REIT Units except in the case of a rights issue or, as the case may be, any preferential offering, where the REIT Manager has the right under the EH-REIT Trust Deed to elect not to extend an offer of EH-REIT Units under the rights issue or, as the case may be, any preferential offering to holders of EH-REIT Units whose addresses are outside Singapore. The Take-Over Code applies to REITs. As a result, acquisitions of Stapled Securities which may result in a change in effective control of EHT and the aggregate Stapled Securityholdings of an entity and its concert parties crossing certain thresholds may be subject to the provisions of the Take-Over Code, such as a requirement to make a mandatory offer for Stapled Securities.

Changes in Equity of the Holders of EH-REIT Units

The REIT Manager may at any time with the approval of the REIT Trustee and on prior written notice (i) given to each holder of EH-REIT Unit, or (ii) (when EH-REIT is listed, quoted and traded on the SGX-ST) by the REIT Trustee delivering such notice in writing to CDP for onward delivery to the depositors, determine that each EH-REIT Unit shall be sub-divided into two or more EH-REIT Units or consolidated with one or more other EH-REIT Units and the holders of EH-REIT Units shall be bound accordingly. While EH-REIT Units are stapled to EH-BT Units, EH-REIT Units may not be sub-divided or consolidated unless the corresponding EH-BT Units are sub-divided or, as the case may be, consolidated at the same time and to the same extent.

The register of the holders of EH-REIT Units shall be altered accordingly to reflect the new number of EH-REIT Units held by each holder of EH-REIT Units as a result of such sub-division or consolidation and the REIT Manager shall cause CDP to alter the depository register accordingly in respect of the securities account of each relevant holder of EH-REIT Unit to reflect the new number of EH-REIT Units held by such holder of EH-REIT Unit as a result of such sub-division or consolidation.

Rights, Preferences and Restrictions Attaching to Each Class of EH-REIT Units

The EH-REIT Trust Deed provides that rights attached to the EH-REIT Units issued with special conditions have to be clearly defined in the EH-REIT Trust Deed and, if at any time, different classes of EH-REIT Units are issued, the rights attached to any class (unless otherwise provided by the terms of issue of the EH-REIT Units of that class) may, subject to the provisions of any applicable laws, regulations and guidelines, be varied or abrogated with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of EH-REIT Units of that class.

Currently, there is only one class of EH-REIT Units and every EH-REIT Unit carries the same voting rights. For so long as EH-REIT is listed, CDP shall be the registered holder of all the EH-REIT Units in issue and CDP shall pursuant to the Depository Services Terms and Conditions maintain a record in a depository register of the holders of EH-REIT Units having EH-REIT Units credited into their respective Securities Accounts (as defined herein) and to record in the depository register the following information stated below in relation to each namely:

- the names and addresses of the holders of EH-REIT Units;
- the class of EH-REIT Units held by each holder of EH-REIT Units;
- the number of EH-REIT Units held by each holder of EH-REIT Units;
- the date on which every such person entered in respect of the EH-REIT Units standing in his name became a holder of EH-REIT Units and, where he became a holder of EH-REIT Units by virtue of an instrument of transfer, a sufficient reference to enable the name and address of the transferor to be identified;
- the date on which any transfer is registered and the name and address of the transferee; and
- where applicable, the day on which the holder of EH-REIT Units ceased to be a holder of EH-REIT Units.

Each holder of EH-REIT Units named in the depository register shall for such period as the EH-REIT Units are entered against his name in the depository register, be deemed to be the owner in respect of the number of EH-REIT Units entered against the name of such holder of EH-REIT Units in the depository register and the REIT Manager shall be entitled to rely on any and all such information in the depository register.

The entries in the depository register shall (save in the case of manifest error) be conclusive evidence of the number of EH-REIT Units held by each holder of EH-REIT Units and, in the event of any discrepancy between the entries in the depository register and the details appearing in any confirmation note or monthly statement issued by CDP, the entries in the depository register shall prevail unless the holder of EH-REIT Units proves to the satisfaction of the REIT Manager and CDP that the depository register is incorrect.

Distributions

Subject to the EH-REIT Trust Deed and all applicable laws, regulations and guidelines, the REIT Manager shall have the right to make regular distributions of all (or such lower percentage as the REIT Manager may determine) of its Annual Distributable Income to EH-REIT Unitholders at quarterly, half-yearly or yearly intervals or at such other intervals as the REIT Manager shall decide in its absolute discretion. All distributions are paid *pro rata* among the holders of EH-REIT Units in proportion to the amount paid-up on each of their EH-REIT Units, unless the rights attached to an issue of any EH-REIT Unit provide otherwise. Any monies payable to holders of EH-REIT Units which remain unclaimed after a period of 12 months shall be accumulated in a special account (the "**Unclaimed Monies Account**") from which the REIT Trustee may, from time to time, make payments to holders of EH-REIT Units claiming any such monies. Subject to the winding-up provisions in the EH-REIT Trust Deed, the REIT Trustee shall cause such sums which represent monies remaining in the Unclaimed Monies Account for five years after the date of payment of such monies into the Unclaimed Monies Account and interest, if any, earned thereon, to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore shall be deducted from the monies payable to the relevant holder of EH-REIT Units.[1] If the said monies are insufficient to meet all such fees, costs

1 The Trustees Act, Chapter 337 of Singapore (the "**Trustees Act**") allows a trustee to discharge its liabilities towards unclaimed monies by paying such monies into Singapore courts, although it does not prescribe the period for which the monies must be unclaimed before they may be paid into the courts.

and expenses, the REIT Trustee shall be entitled to have recourse to the EH-REIT Deposited Property for such payment. Where the EH-REIT is listed and to the extent that such unclaimed moneys are held by the CDP, subject to the winding-up provisions in the EH-REIT Trust Deed, the REIT Trustee shall cause such sums which are returned by the CDP to the REIT Trustee (and which have remained unclaimed by a Holder for a period of six years after the time when such moneys became payable to such holder of EH-REIT Units) to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore shall be deducted from the moneys payable to the relevant holder of EH-REIT Units PROVIDED THAT if the said moneys are insufficient to meet the payment of all such fees, costs and expenses, the REIT Trustee shall be entitled to have recourse to the EH-REIT Deposited Property for such payment.

Voting Rights

A holder of EH-REIT Units is entitled to attend, speak and vote at any general meeting of the holders of EH-REIT Units in person or by proxy and a holder of EH-REIT Units may appoint proxies to attend and vote at the same general meeting as a holder of EH-REIT Units if his name appears on the depository register as at 72 hours before the time of the relevant general meeting as certified by the depository to EH-REIT. Except as otherwise provided in the EH-REIT Trust Deed, not less than two holders of EH-REIT Units must be present in person or by proxy of one-tenth in value of all the EH-REIT Units for the time being in issue to constitute a quorum at any general meeting. Under the EH-REIT Trust Deed, on a poll, every holder of EH-REIT Units who is present in person or by proxy shall have one vote for every EH-REIT Unit which he holds or represents. Subject to the prevailing listing rules of the SGX-ST, voting at a meeting shall be by poll. On a poll, every holder of EH-REIT Units has one vote for each EH-REIT Unit of which it is a holder.

Variation of Rights of Respective Classes of EH-REIT Units

If at any time different classes of EH-REIT Units are issued, the rights attached to any class (unless otherwise provided by the terms of issue of the EH-REIT Units of that class) may, subject to any applicable laws, regulations and guidelines, whether or not EH-REIT is being wound up, be varied or abrogated with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of EH-REIT Units of that class. To every such Extraordinary Resolution of the holders of EH-REIT Units of that class, the provisions of the EH-REIT Trust Deed relating to general meetings of the holders of EH-REIT Units shall apply *mutatis mutandis* provided that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued EH-REIT Units of the class and that any holders of EH-REIT Units of that class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every EH-REIT Unit of the class held by him, PROVIDED ALWAYS that where the necessary majority for such an Extraordinary Resolution is not obtained at such meeting of the holders of EH-REIT Units, consent in writing if obtained from the holders of three-quarters of the issued EH-REIT Units of the class concerned within two months of such meeting of the holders of EH-REIT Units shall be as valid and effectual as an Extraordinary Resolution at such meeting of the holders of EH-REIT Units.

The rights conferred upon the holders of EH-REIT Units of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the EH-REIT Units of that class or by the EH-REIT Trust Deed as are in force at the time of such issue, be deemed to be varied by the creation or issue of further EH-REIT Units ranking equally therewith, and would therefore require the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of EH-REIT Units of such class.

The EH-REIT Trust Deed does not impose more stringent conditions than those required by the applicable law.

Issue of EH-REIT Units

The REIT Manager has the right to issue EH-REIT Units for the account of EH-REIT. For so long as EH-REIT is listed on the SGX-ST, the REIT Manager may, subject to the provisions of the Listing Manual, the EH-REIT Trust Deed and any other applicable laws, regulations and guidelines, issue EH-REIT Units.

If in connection with an issue of a EH-REIT Unit, any requisite payment of the issue price for such EH-REIT Unit has not been received by the REIT Trustee before the seventh Business Day after the date on which the EH-REIT Unit was agreed to be issued (or such other date as the REIT Manager and the REIT Trustee may agree), the REIT Manager may, in its absolute discretion, cancel its agreement to issue such EH-REIT Unit and such EH-REIT Unit will be deemed never to have been issued or agreed to be issued. In such an event, the REIT Manager may, at its discretion, charge the investor (and retain the same for its own account) a cancellation fee of such amount as the REIT Manager may from time to time determine to represent the administrative costs involved in processing the application for such EH-REIT Unit.

Suspension of Issue of EH-REIT Units

The REIT Manager or the REIT Trustee may, with the prior written approval of the other and subject to the Listing Manual suspend the issue of EH-REIT Units during any of the following events:

- any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;

- the existence of any state of affairs which, in the opinion of the REIT Manager or, as the case may be, the REIT Trustee, might seriously prejudice the interests of the holders of EH-REIT Units as a whole or the EH-REIT Deposited Property;

- any breakdown in the means of communication normally employed in determining the price of any assets of EH-REIT or the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange, or when for any reason the prices of any assets of EH-REIT cannot be promptly and accurately ascertained;

- any period when remittance of money which will or may be involved in the realisation of any asset of EH-REIT or in the payment for such asset of EH-REIT cannot, in the opinion of the REIT Manager, be carried out at normal rates of exchange;

- any period where the issuance of EH-REIT Units is suspended pursuant to any order or direction issued by the MAS or other relevant regulatory authorities;

- in relation to any general meeting of holders of EH-REIT Units, any 72-hour period before such general meeting or any adjournment thereof; or

- when the business operations of the REIT Manager or the REIT Trustee in relation to EH-REIT are substantially interrupted or closed as a result of, or arising from, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the REIT Manager or, as the case may be, the REIT Trustee, and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised (as set out above) exists, upon the declaration in writing thereof by the REIT Manager or, as the case may be, the REIT Trustee.

In the event of any suspension while EH-REIT is listed on the SGX-ST, the REIT Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST.

Meeting of Holders of EH-REIT Units

Under applicable law and the provisions of the EH-REIT Trust Deed, EH-REIT will not hold any meetings for holders of EH-REIT Units unless the REIT Manager or the REIT Trustee convenes a meeting or unless not less than 50 holders of EH-REIT Units or the holders of EH-REIT Units holding not less than 10.0% of issued EH-REIT Units (whichever is the lesser) request a meeting to be convened.

A meeting of holders of EH-REIT Units when convened may:

- by Extraordinary Resolution and in accordance with the EH-REIT Trust Deed, sanction any modification, alteration or addition to the EH-REIT Trust Deed which shall be agreed by the REIT Manager and the REIT Trustee as provided in the EH-REIT Trust Deed;

- by Extraordinary Resolution and in accordance with the EH-REIT Trust Deed, sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of fees payable to the REIT Manager and the REIT Trustee;

- by Extraordinary Resolution and in accordance with the EH-REIT Trust Deed, remove the auditors of EH-REIT and appoint other auditors in their place;

- by Extraordinary Resolution and in accordance with the EH-REIT Trust Deed, delist EH-REIT after it has been listed;

- by Extraordinary Resolution and in accordance with the EH-REIT Trust Deed, issue EH-REIT Units on an unpaid or partly paid basis;

- by Extraordinary Resolution and in accordance with the EH-REIT Trust Deed, remove the REIT Trustee; and

- by Extraordinary Resolution and in accordance with the EH-REIT Trust Deed, direct the REIT Trustee to take any action pursuant to Section 295 of the SFA.

A meeting of holders of EH-REIT Units may, also by Ordinary Resolution and in accordance with the EH-REIT Trust Deed, remove the REIT Manager.

Any decision to be made by resolution of the holders of EH-REIT Units other than the above shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the SFA, the CIS Code, the Listing Manual or any other applicable laws and regulations.

Except as otherwise provided for in the EH-REIT Trust Deed, 14 days' notice at the least (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the holders of EH-REIT Units in the manner provided in the EH-REIT Trust Deed. The quorum at a meeting shall not be less than two holders of EH-REIT Units present in person or by proxy together holding or representing one-tenth in value of all EH-REIT Units for the time being in issue. Each notice shall specify the place, day and hour of the meeting, and the terms of the resolutions to be proposed, and each such notice may, in general, be given by advertisement in the daily press and in writing to each stock exchange on which EH-REIT is listed.

Subject to the requirements of the prevailing listing rules by the SGX-ST, voting at a meeting shall be by poll. On a poll, every holder of EH-REIT Units has one vote for each EH-REIT Unit of which it is the holder. The EH-REIT Trust Deed does not contain any limitation on non-Singapore resident or foreign holders of EH-REIT Units holding EH-REIT Units or exercising the voting rights with respect to their holdings of EH-REIT Units.

Neither the REIT Manager nor any of its associates shall be entitled to vote or be counted as part of a quorum at a meeting convened to consider a matter in respect of which the REIT Manager or any of its associates has a material interest save for an Ordinary Resolution duly proposed to remove the REIT Manager, in which case, no holder of EH-REIT Units shall be disenfranchised.

For so long as the REIT Manager is the manager of EH-REIT, the controlling shareholders (as defined in the Listing Manual) of the REIT Manager and of any of its associates are prohibited from voting or being counted as part of a quorum for any meeting of holders of EH-REIT Units convened to consider a matter in respect of which the relevant controlling shareholders of the REIT Manager and/or of any of its associates have a material interest.

Rights and Liabilities of the Holders of EH-REIT Units

The key rights of the holders of EH-REIT Units include rights to:

- receive income and other distributions attributable to EH-REIT Units held;
- receive audited financial statements and the annual reports of EH-REIT; and
- participate in the termination of EH-REIT by receiving a share of all net cash proceeds derived from the realisation of the assets of EH-REIT less any liabilities, in accordance with their proportionate interests in EH-REIT.

No holder of EH-REIT Units has a right to require that any asset of EH-REIT be transferred to him.

Further, the holders of EH-REIT Units cannot give any directions to the REIT Manager or the REIT Trustee (whether at a meeting of holders of EH-REIT Units or otherwise) if it would require the REIT Manager or the REIT Trustee to do or omit from doing anything which may result in:

- EH-REIT ceasing to comply with applicable laws and regulations; or
- the exercise of any discretion expressly conferred on the REIT Manager or the REIT Trustee by the EH-REIT Trust Deed or the determination of any matter which, under the EH-REIT Trust Deed, requires the agreement of either or both of the REIT Manager and the REIT Trustee.

The EH-REIT Trust Deed contains provisions that are designed to limit the liability of a holder of EH-REIT Units to the amount paid or payable for any EH-REIT Unit. The provisions seek to ensure that if the issue price of EH-REIT Units held by a holder of EH-REIT Units has been fully paid, no

such holder of EH-REIT Units, by reason alone of being a holder of EH-REIT Units, will be personally liable to indemnify the REIT Trustee or any creditor of EH-REIT in the event that the liabilities of EH-REIT exceed its assets.

Under the EH-REIT Trust Deed, each EH-REIT Unit carries the same voting rights.

Limitations on the Right to Own EH-REIT Units

EH-REIT Units issued to persons resident outside Singapore

In relation to any rights issue or preferential offering, the REIT Manager may in its absolute discretion elect not to extend an offer of EH-REIT Units under the rights issue or preferential offering to those holders of EH-REIT Units, whose addresses are outside Singapore. In the case of a rights issue, the provisional allocation of EH-REIT Units of such holders of EH-REIT Units may be offered for sale by the REIT Manager as the nominee and authorised agent of each such relevant holder of EH-REIT Unit in such manner and at such price, as the REIT Manager may determine.

Where necessary, the REIT Trustee shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale, if successful, will be paid to the relevant holders of EH-REIT Units whose rights or entitlements have been thus sold, provided that where such proceeds payable to the relevant holders of EH-REIT Units are less than S$10.00, the REIT Manager shall be entitled to retain such proceeds as part of the EH-REIT Deposited Property.

Amendment of the EH-REIT Trust Deed

Save where an amendment to the EH-REIT Trust Deed has been approved by an Extraordinary Resolution passed at a meeting of holders of EH-REIT Units duly convened and held in accordance with the provisions of the EH-REIT Trust Deed, no amendment may be made to the provisions of the EH-REIT Trust Deed unless the REIT Trustee certifies, in its opinion, that such amendment:

(i) does not materially prejudice the interests of the holders of EH-REIT Units and does not operate to release to any material extent the REIT Manager or the REIT Trustee from any responsibility to the holders of EH-REIT Units;

(ii) is necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law), including, without limitation, requirements under all other applicable laws, regulations and guidelines; or

(iii) is made to remove obsolete provisions or to correct a manifest error.

No such amendment shall impose upon any holder of EH-REIT Units any obligation to make any further payments in respect of his EH-REIT Units or to accept any liability in respect thereof.

Circumstances under which the REIT Manager and/or REIT Trustee may be indemnified out of the EH-REIT Deposited Property

In general, subject to any express provision under the EH-REIT Trust Deed and without prejudice to any right of indemnity at law given to the REIT Manager and/or the REIT Trustee, the REIT Manager and/or the REIT Trustee shall be entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as REIT Manager and/or the REIT Trustee to have recourse to the EH-REIT Deposited Property or any part thereof, save where such action, cost, claim, damage, expense or demand is occasioned by the fraud,

gross negligence or wilful default or breach of the EH-REIT Trust Deed by the REIT Manager and/or the REIT Trustee or a breach of trust by the REIT Trustee.

Circumstances under which the REIT Manager and/or the REIT Trustee may exclude liability in relation to carrying out of its duties with respect to EH-REIT

Subject to the duties and obligations of the REIT Trustee under the EH-REIT Trust Deed, the REIT Trustee shall at all times be entitled to rely on the recommendations, certifications and representations of the REIT Manager in relation to EH-REIT and shall not be liable for any act or omission of the REIT Manager in relation to EH-REIT save where the REIT Trustee is fraudulent, grossly negligent or in wilful default.

In the absence of fraud, gross negligence, wilful default or breach of trust by the REIT Trustee, the REIT Trustee shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the EH-REIT Trust Deed.

The REIT Manager shall not be under any liability except such liability as may be assumed by it under the EH-REIT Trust Deed nor shall the REIT Manager (save as otherwise appears in the EH-REIT Trust Deed) be liable for any act or omission of the REIT Trustee.

In the absence of fraud, gross negligence, wilful default or breach of the EH-REIT Trust Deed by REIT Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the EH-REIT Trust Deed.

Substantial EH-REIT Unitholdings

As the Stapled Securities comprise EH-REIT Units and EH-BT Units stapled together, Stapled Securityholders have to comply with the regulatory requirements imposed on both EH-REIT and EH-BT, including that of the requirement to disclose substantial holdings.

With regard to EH-REIT, any holder of EH-REIT Units with an interest in one or more EH-REIT Units constituting not less than 5.0% of all EH-REIT Units in issue ("**Substantial holders of EH-REIT Units**") will be required to notify the REIT Trustee and the SGX-ST of their deemed and direct holdings and any subsequent change in the percentage level of such holdings or their ceasing to hold 5.0% or more of the total number of EH-REIT Units within two Business Days of acquiring such holdings or of such changes or such cessation. Failure to comply with the notification requirements of the SFA constitutes an offence and will render a Substantial holder of EH-REIT Units liable to a fine on conviction.

The REIT Manager also has power under the EH-REIT Trust Deed to require information to be provided where it has reasonable cause to believe that the relevant SFA provisions have been triggered. Failure to comply with a request of the REIT Manager or with the SFA requirements will also entitle the REIT Manager to take various actions with respect to the particular EH-REIT Units, including suspending voting rights and suspending distribution entitlements.

Pursuant to Sections 135 to 137B of the SFA (read with Section 137U of the SFA), Substantial Stapled Securityholders are required to notify the REIT Manager and the REIT Trustee within two Business Days after becoming aware of their becoming a Substantial Stapled Securityholder, any subsequent change in the percentage level of their interest(s) in Stapled Securities (rounded down to the next whole number) or their ceasing to be a Substantial Stapled Securityholder.

(See "The Formation and Structure of EHT, EH-REIT and EH-BT – EH-BT – Substantial EH-BT Holdings" for further details.)

The REIT Manager Board's Declaration of Holdings of EH-REIT Units

Duty of the REIT Manager to Make Disclosure

Pursuant to Section 137ZC of the SFA, where the REIT Manager acquires or disposes of interests in EH-REIT Units or debentures or units of debentures of EHT, or the REIT Manager has been notified in writing by, *inter alia*, a Substantial Stapled Securityholder or director or chief executive officer of the REIT Manager pursuant to the unitholdings disclosure requirements of the SFA as set out below, the REIT Manager shall announce such information via the SGXNET and in such form and manner as the Authority may prescribe as soon as practicable and in any case no later than the end of the Business Day following the day on which the REIT Manager became aware of the acquisition or disposal or received the notice.

Directors and Chief Executive Officer of the REIT Manager

Pursuant to Section 137Y of the SFA, directors and chief executive officers of the REIT Manager are required to notify the REIT Manager in writing of, inter alia, their acquisition of interest in Stapled Securities or of changes to the number of Stapled Securities which they hold or in which they have an interest, within two Business Days after such acquisition or after becoming aware of such changes, as the case may be.

A REIT Manager Director is deemed to have an interest in EH-REIT Units in the following circumstances:

- Where the REIT Manager Director or chief executive officer of the REIT Manager is the beneficial owner of a EH-REIT Unit (whether directly through a Securities Account or indirectly through a depository agent or otherwise), he is deemed to have an interest in that EH-REIT Unit.

- Where a body corporate is the beneficial owner of a EH-REIT Unit and the director or chief executive officer of the REIT Manager is entitled to exercise or control the exercise of not less than 20.0% of the votes attached to the voting shares in the body corporate, he is deemed to have interest in that EH-REIT Unit.

- Where the REIT Manager Director's or the REIT Manager's chief executive officer's (i) spouse or (ii) son, adopted son, stepson, daughter, adopted daughter or step-daughter below the age of 21 years has any interest in a EH-REIT Unit, he is deemed to have an interest in that EH-REIT Unit.

- Where the director or chief executive officer of the REIT Manager, his (i) spouse or (ii) son, adopted son, stepson, daughter, adopted daughter or step-daughter below the age of 21 years:

  – has entered into a contract to purchase a EH-REIT Unit;

  – has a right to have a EH-REIT Unit transferred to any of them or to their order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;

  – has the right to acquire a EH-REIT Unit under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or

  – is entitled (otherwise than by reason of any of them having been appointed a proxy or representative to vote at a meeting of EH-REIT Unitholders) to exercise or control the exercise of a right attached to a EH-REIT Unit, not being a EH-REIT Unit of which any

of them is the holder, the director or chief executive officer of the REIT Manager is deemed to have an interest in that EH-REIT Unit.

- Where the property subject to a trust consists of or includes a EH-REIT Unit and the director or chief executive officer of the REIT Manager knows or has reasonable grounds for believing that he has an interest under the trust and the property subject to the trust consists of or includes such EH-REIT Unit, he is deemed to have an interest in that EH-REIT Unit.

The REIT Trustee

The trustee of EH-REIT is DBS Trustee Limited. The REIT Trustee is a company incorporated in Singapore and is licensed as a trust company under the Trust Companies Act. It is approved to act as a trustee for authorised collective investment schemes under the SFA. As at the date of this Prospectus, the REIT Trustee has a paid-up capital of S$2.5 million. The REIT Trustee has a place of business in Singapore at 12 Marina Boulevard, Level 44, Marina Bay Financial Centre Tower 3, Singapore 018982.

Powers, Duties and Obligations of the REIT Trustee

The REIT Trustee's powers, duties and obligations are set out in the EH-REIT Trust Deed. The powers and duties of the REIT Trustee include:

- acting as trustee of EH-REIT and, in such capacity, safeguarding the rights and interests of the holders of EH-REIT Units, for example, by satisfying itself that transactions it enters into for and on behalf of EH-REIT with a Related Party of the REIT Manager or EH-REIT are conducted on normal commercial terms, are not prejudicial to the interests of EH-REIT and the holders of EH-REIT Units, and in accordance with all applicable requirements under the Property Funds Appendix and/or the Listing Manual relating to the transaction in question;

- holding the assets of EH-REIT on trust for the benefit of the holders of EH-REIT Units in accordance with the EH-REIT Trust Deed;

- lending monies out of the assets of EH-REIT for the benefit of Stapled Securityholders as a whole in accordance with the EH-REIT Trust Deed and subject to compliance with the applicable laws, regulations and guidelines; and

- exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of EH-REIT.

The REIT Trustee has covenanted in the EH-REIT Trust Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of the holders of EH-REIT Units.

In the exercise of its powers, the REIT Trustee may (on the recommendation of the REIT Manager) and subject to the provisions of the EH-REIT Trust Deed, acquire or dispose of any real or personal property, borrow and encumber any asset.

The REIT Trustee may, subject to the provisions of the EH-REIT Trust Deed, appoint and engage:

- a person or entity to exercise any of its powers or perform its obligations; and

- any real estate agents or managers, including a Related Party of the REIT Manager, in relation to the management, development, leasing, purchase or sale of any real estate assets and real estate-related assets.

Although the REIT Trustee may borrow money and obtain other financial accommodation for the purposes of EH-REIT and to on-lend money to EH-BT, both on a secured and unsecured basis, the REIT Manager must not direct the REIT Trustee to incur a liability if to do so would mean that total liabilities of EH-REIT exceed 45.0% of the value of the EH-REIT Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash, in EH-REIT Units or, as the case may be, Stapled Securities).

The REIT Trustee must carry out its functions and duties and comply with all the obligations imposed on it and set out in the EH-REIT Trust Deed, the Listing Manual, the SFA, the CIS Code (including the Property Funds Appendix), the Tax Ruling and all other applicable laws, regulations and guidelines. It must retain EH-REIT's assets, or cause EH-REIT's assets to be retained, in safe custody and cause EH-REIT's accounts to be audited. It can appoint valuers to value the real estate assets and real estate-related assets of EH-REIT.

The REIT Trustee is not personally liable to a holder of EH-REIT Units in connection with the office of the REIT Trustee except in respect of its own fraud, gross negligence, wilful default, breach of trust or breach of the EH-REIT Trust Deed and Stapling Deed. Any liability incurred and any indemnity to be given by the REIT Trustee shall be limited to the assets of EH-REIT over which the REIT Trustee has recourse, provided that the REIT Trustee has acted without fraud, gross negligence, wilful default, breach of trust or breach of the EH-REIT Trust Deed. The EH-REIT Trust Deed contains certain indemnities in favour of the REIT Trustee under which it will be indemnified out of the assets of EH-REIT for liability arising in connection with certain acts or omissions. These indemnities are subject to any applicable laws.

Retirement and Replacement of the REIT Trustee

The REIT Trustee may retire or be replaced under the following circumstances:

- The REIT Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the EH-REIT Trust Deed); and

- The REIT Trustee may be removed by notice in writing to the REIT Trustee by the REIT Manager:

  – if the REIT Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the REIT Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the REIT Trustee;

  – if the REIT Trustee ceases to carry on business;

  – if the REIT Trustee fails or neglects after reasonable notice from the REIT Manager to carry out or satisfy any material obligation imposed on the REIT Trustee by the EH-REIT Trust Deed;

  – if the holders of EH-REIT Units by Extraordinary Resolution duly passed at a meeting of holders of EH-REIT Units held in accordance with the provisions of the EH-REIT Trust Deed, and of which not less than 21 days' notice has been given to the REIT Trustee and the REIT Manager, shall so decide; or

  – if the MAS directs that the REIT Trustee be removed.

Remuneration of the REIT Trustee

The REIT Trustee's fee shall not exceed 0.1% per annum of the value of the EH-REIT Deposited Property, subject to a minimum of S$15,000 per month, excluding out-of-pocket expenses and GST in accordance with the EH-REIT Trust Deed. The REIT Trustee's fee is accrued daily and will be paid monthly in arrears in accordance with the EH-REIT Trust Deed. The actual fee payable within the permitted limit will be determined between the REIT Manager and the REIT Trustee from time to time. The REIT Trustee will also be paid a one-time inception fee, as may be agreed between the REIT Trustee and the REIT Manager, subject to a maximum of S$60,000.

Any increase in the maximum permitted amount or any change in the structure of the REIT Trustee's fee must be approved by an Extraordinary Resolution at a meeting of holders of the EH-REIT Units duly convened and held in accordance with the provisions of the EH-REIT Trust Deed.

Changes in the Fees payable

An Extraordinary Resolution of the holders of EH-REIT Units at a meeting convened and held in accordance with the provisions of the EH-REIT Trust Deed is required to approve:

- any increase in the rate or any change in the structure of the REIT Manager's management fee or the REIT Trustee's fee; and

- any increase in the rate above the permitted limit or any change in the structure of the REIT Manager's acquisition fee, divestment fee and development management fee.

Termination of EH-REIT

Under the provisions of the EH-REIT Trust Deed, the duration of EH-REIT shall end on the earliest of:

- the date on which EH-REIT is terminated by the REIT Manager in such circumstances as set out under the provisions of the EH-REIT Trust Deed, as described below; or

- the date on which EH-REIT is terminated by the REIT Trustee in such circumstances as set out under the provisions of the EH-REIT Trust Deed, as described below.

The REIT Manager may in its absolute discretion terminate EH-REIT by giving notice in writing to all the holders of EH-REIT Units and the REIT Trustee not less than three months in advance and to the MAS not less than seven days before the termination in any of the following circumstances:

- if any law shall be passed which renders it illegal or in the opinion of the REIT Manager impracticable or inadvisable for EH-REIT to exist;

- if the NAV of the EH-REIT Deposited Property shall be less than S$50.0 million after the end of the first anniversary of the date of the EH-REIT Trust Deed or any time thereafter; and

- if at any time EH-REIT becomes unlisted after it has been listed.

Subject to the SFA and any other applicable laws or regulations, EH-REIT may be terminated by the REIT Trustee by notice in writing in any of the following circumstances, namely:

- if the REIT Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the REIT Trustee) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the REIT Manager or if any encumbrancer shall take possession of any of its assets or if it shall cease business and the REIT Trustee fails to appoint a successor manager in accordance with the provisions of the EH-REIT Trust Deed;

- if any law shall be passed which renders it illegal or in the opinion of the REIT Trustee impracticable or inadvisable for EH-REIT to exist; and

- if within the period of three months from the date of the REIT Trustee expressing in writing to the REIT Manager the desire to retire the REIT Manager fails to appoint a new trustee in accordance with the provisions of the EH-REIT Trust Deed.

The decision of the REIT Trustee in any of the events specified above shall be final and binding upon all the parties concerned but the REIT Trustee shall be under no liability on account of any failure to terminate EH-REIT pursuant to the paragraph above or otherwise. The REIT Manager shall accept the decision of the REIT Trustee and relieve the REIT Trustee of any liability to it therefor and hold it harmless from any claims whatsoever on its part for damages or for any other relief.

In addition to the above, the holders of the EH-REIT Units may, by Extraordinary Resolution duly passed at a meeting of the holders of the EH-REIT Units held in accordance with Section 295 of the SFA, terminate EH-REIT.

Generally, upon the termination of EH-REIT, the REIT Trustee shall, subject to any authorisations or directions given to it by the REIT Manager or the holders of EH-REIT Units pursuant to the EH-REIT Trust Deed, sell the EH-REIT Deposited Property and repay any borrowings incurred on behalf of EH-REIT in accordance with the EH-REIT Trust Deed (together with any interest accrued but remaining unpaid) as well as all other debts and liabilities in respect of EH-REIT before distributing the balance of the EH-REIT Deposited Property to the holders of EH-REIT Units in accordance with their proportionate interests in the EH-REIT Deposited Property.

THE FORMATION AND STRUCTURE OF EH-BT

EH-BT is constituted as a business trust by the EH-BT Trust Deed. EH-BT was registered as a business trust on 16 May 2019.

The terms and conditions of the EH-BT Trust Deed shall be binding on each holder of EH-BT Units (and persons claiming through such holder of EH-BT Units) as if such holder of EH-BT Units had been a party to the EH-BT Trust Deed and as if the EH-BT Trust Deed contains covenants by such holder of EH-BT Units to do all such acts and things as the EH-BT Trust Deed may require the Trustee-Manager to do.

The EH-BT Trust Deed

While EH-REIT Units remain stapled to EH-BT Units, the terms and conditions of the EH-BT Trust Deed shall be binding on each Stapled Securityholder (and persons claiming through such Stapled Securityholder) as if such Stapled Securityholder had been a party to the EH-BT Trust Deed and as if the EH-BT Trust Deed contains covenants by such Stapled Securityholder to observe and be bound by the provisions of the EH-BT Trust Deed and an authorisation by each Stapled Securityholder to do all such acts and things as the EH-BT Trust Deed may require the Trustee-Manager to do.

The provisions of the BTA prescribe certain terms of the EH-BT Trust Deed and certain rights, duties and obligations of the Trustee-Manager and (while EH-REIT Units remain stapled to EH-BT Units) Stapled Securityholders under the EH-BT Trust Deed. To the extent of any inconsistency between the obligations of the Trustee-Manager under the EH-BT Trust Deed and the Stapling Deed, the provisions of the Stapling Deed shall prevail.

The EH-BT Units and the Holders of EH-BT Units

The rights and interests of holders of EH-BT Units are contained in the EH-BT Trust Deed. Under the EH-BT Trust Deed, these rights and interests are safeguarded by the Trustee-Manager.

Each EH-BT Unit represents an undivided interest in EH-BT. Holders of EH-BT Units have no equitable or proprietary interest in the underlying assets of EH-BT and are not entitled to the transfer to them of any asset (or any part thereof) or of any real estate, any interest in any asset and any real estate-related assets (or any part thereof) of EH-BT. The rights of the holders of EH-BT Units are limited to the right to require due administration of EH-BT in accordance with the provisions of the EH-BT Trust Deed, including, without limitation, by suit against the Trustee-Manager.

Under the EH-BT Trust Deed, each holder of EH-BT Units acknowledges and agrees that it will not commence or pursue any action against the Trustee-Manager seeking an order for specific performance or for injunctive relief in respect of the assets of EH-BT (or any part thereof), including all its Authorised Investments (as defined in the EH-BT Trust Deed), and waives any rights it may otherwise have to such relief. If the Trustee-Manager breaches or threatens to breach its duties or obligations to holders of EH-BT Units under the EH-BT Trust Deed, recourse by the holders of EH-BT Units against the Trustee-Manager is limited to a right to recover damages or compensation from the Trustee-Manager in a court of competent jurisdiction, and holders of EH-BT Units acknowledge and agree that damages or compensation is an adequate remedy for such breach or threatened breach.

Further, unless otherwise expressly provided in the EH-BT Trust Deed, holders of EH-BT Units may not interfere or seek to interfere with the rights, powers, authority or discretion of the Trustee-Manager, exercise any right in respect of the assets of EH-BT or any part thereof, or require that any Authorised Investments forming part of the assets of EH-BT be transferred to such holders of EH-BT Units.

No certificate shall be issued to holders of EH-BT Units by the Trustee-Manager in respect of EH-BT Units issued to holders of EH-BT Units. For so long as EHT is listed, quoted and traded on the SGX-ST and/or any other Recognised Stock Exchange, in accordance with the listing rules and requirements of the relevant stock exchange, the Trustee-Manager shall appoint CDP as the unit depository for EH-BT in respect of all scripless Stapled Securities in accordance with the Depository Services Terms and Conditions. All Stapled Securities issued will be represented by entries in the register of holders of EH-BT Units kept by the Trustee-Manager or the agent appointed by the Trustee-Manager in the name of, and deposited with, CDP as the registered holder of such Stapled Securities and, as the case may be, in the name of Stapled Securityholders (other than the CDP) whose Stapled Securities are not deposited with the CDP. The Trustee-Manager or their jointly appointed agent shall issue to CDP not more than 10 Business Days after the issue of Stapled Securities a confirmation note confirming the date of issue and the number of Stapled Securities so issued and, if applicable, also stating that the Stapled Securities are issued under a moratorium and the expiry date of such moratorium and for the purposes of the EH-BT Trust Deed and the Stapling Deed, such confirmation note shall be deemed to be a certificate evidencing title to the EH-BT Units and the corresponding Stapled Securities issued.

There are no restrictions under the Stapling Deed, the EH-BT Trust Deed or Singapore law on a person's right to purchase (or subscribe for) EH-BT Units and to own EH-BT Units except in the case of rights issue or, as the case may be, any preferential offering where the Trustee-Manager has the right under the EH-BT Trust Deed to elect not to extend an offer of EH-BT Units under the rights issue or, as the case may be, any preferential offering to holders of EH-BT Units whose addresses are outside Singapore.

Changes in Equity of the Holders of EH-BT Units

The Trustee-Manager may at any time and on prior written notice (such notice period shall be determined by the Trustee-Manager in its absolute discretion) to each holder of EH-BT Units by the Trustee-Manager delivering such notice in writing to CDP for onward delivery to the holders of EH-BT Units, determine that each EH-BT Unit shall be sub-divided into two or more EH-BT Units or consolidated with one or more other EH-BT Units and the holders of EH-BT Units shall be bound accordingly. The Trustee-Manager shall thereupon require each holder of EH-BT Units to deliver up to his confirmation note (if any) for endorsement or enfacement with the number of EH-BT Units thereby represented as a result of such sub-division or consolidation or (in the case of a sub-division) send or cause to be sent to each holder of EH-BT Units, a confirmation note representing the number of additional EH-BT Units to which he has become entitled by reason of the sub-division.

While EH-REIT Units are stapled to EH-BT Units, EH-BT Units may not be sub-divided or consolidated unless the corresponding EH-REIT Units are sub-divided or, as the case may be, consolidated at the same time and to the same extent.

The register of the holders of EH-BT Units shall be altered accordingly to reflect the new number of EH-BT Units held by each holder of EH-BT Unit or, as the case may be, Stapled Securities as a result of such sub-division or consolidation and the Trustee-Manager shall cause CDP to alter the depository register maintained by CDP accordingly in respect of the Securities Account or sub-account maintained by a Depositor (as defined in Section 81SF of the SFA) with CDP ("**Securities Account**") of each holder of the EH-BT Units to reflect the new number of EH-BT Units held by such holder of EH-BT Units as a result of such sub-division or consolidation.

Rights, Preferences and Restrictions Attaching to Each Class of EH-BT Units

The EH-BT Trust Deed provides that rights attached to the EH-BT Units issued with special conditions have to be clearly defined in the EH-BT Trust Deed and, if at any time, different classes of EH-BT Units are issued, the rights attached to any class (unless otherwise provided by the terms of issue of the EH-BT Units of that class) may, subject to the provisions of any applicable laws, regulations and guidelines, be varied or abrogated with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of EH-BT Units of that class.

Currently, there is only one class of EH-BT Units and every EH-BT Unit carries the same voting rights. Under the BTA, only persons registered in the statutory register maintained by the Trustee-Manager are recognised as registered holders of EH-BT Units in issue. For so long as EH-BT is listed, CDP shall be the registered holder of all the EH-BT Units in issue and CDP shall pursuant to the Depository Services Terms and Conditions, maintain a record in a depository register of the holders of EH-BT Units having EH-BT Units credited into their respective Securities Accounts and to record in the depository register the following information stated below in relation to each namely:

- the names and addresses of the holders of EH-BT Units;
- the class of EH-BT Units held by each holder of EH-BT Units;
- the number of EH-BT Units held by each holder of EH-BT Units;
- the date on which every such person entered into the depository register in respect of the EH-BT Units standing in his name became a holder of EH-BT Units and, where he became a holder of EH-BT Units by virtue of an instrument of transfer, a sufficient reference to enable the name and address of the transferor to be identified;

- the date on which any transfer is registered and the name and address of the transferee; and

- where applicable, the date on which a holder of EH-BT Units ceases or ceased to be a holder of EH-BT Units.

Each holder of EH-BT Units named in the depository register shall for such period as the EH-BT Units are entered against his name in the depository register, be deemed to be the owner in respect of the number of EH-BT Units entered against the name of such holder of EH-BT Units in the depository register and would be entitled to attend and vote at general meetings of holders of EH-BT Units. The Trustee-Manager shall be entitled to rely on any and all such information in the depository register.

The entries in the depository register shall (save in the case of manifest error) be conclusive evidence of the number of EH-BT Units held by each holder of EH-BT Units and in the event of any discrepancy between the entries in the depository register and the details appearing in any confirmation note or monthly statement issued by CDP, the entries in the depository register shall prevail unless the holder of EH-BT Units proves to the satisfaction of the Trustee-Manager and CDP that the depository register is incorrect.

Distributions

Subject to applicable laws, regulations and guidelines, and the EH-BT Trust Deed, the Trustee-Manager shall have the right to make regular distributions to holders of EH-BT Units of such amounts to be payable out of the EH-BT Trust Property on such distribution dates as the Trustee-Manager may think fit. All distributions are paid *pro rata* among the holders of EH-BT Units in proportion to the amount paid-up on each of their EH-BT Units, unless the rights attached to an issue of any EH-BT Unit provide otherwise. Any monies payable to holders of EH-BT Units which remain unclaimed after a period of 12 months shall be accumulated in an Unclaimed Monies Account from which the Trustee-Manager may, from time to time, make payments to holders of EH-BT Units claiming any such monies.

Subject to the winding-up provisions in the EH-BT Trust Deed, the Trustee-Manager, may, at its discretion and if practicable, cause such sums which represent monies remaining in the Unclaimed Monies Account for five years after the date of payment of such moneys into the Unclaimed Monies Account and interest, if any, earned thereon, to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore[1] shall be deducted from the monies payable to the relevant holder of EH-BT Units. If the said monies are insufficient to meet all such fees, costs and expenses, the Trustee-Manager shall be entitled to have recourse to the EH-BT Trust Property for such payment. Where the EH-BT is listed and to the extent that such unclaimed monies are held by the CDP, subject to the winding-up provisions in the EH-BT Trust Deed, the Trustee-Manager may, at its discretion and if practicable, cause such sums which are returned by the CDP to the Trustee-Manager (and which have remained unclaimed by a holder of EH-BT Units for a period of six years after the time when such monies became payable to such holder of EH-BT Units) to be paid into the courts of Singapore and any fees, costs and expenses incurred in relation to such payment into the courts of Singapore shall be deducted from the monies payable to the relevant holder of EH-BT Units. If the said moneys are insufficient to meet all such fees, costs and expenses, the Trustee-Manager shall be entitled to have recourse to the EH-BT Trust Property for such payment.

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1 The Trustees Act allows a trustee to discharge its liabilities towards unclaimed moneys by paying such moneys into Singapore courts, although it does not prescribe the period for which the moneys must be unclaimed before they may be paid into the courts. Although the Trustees Act is not applicable to a registered business trust, as a matter of prudence, the EH-BT Trust Deed has provided that the Trustee-Manager may pay unclaimed moneys into the courts.

Voting Rights

A holder of EH-BT Units is entitled to attend, speak and vote at any general meeting of the holders of EH-BT Units in person or by proxy and a holder of EH-BT Units may appoint not more than two proxies to attend and vote at the same general meeting as a holder of EH-BT Units if his name appears on the depository register as at 72 hours before the time of the relevant general meeting as certified by the depository to EH-BT. Except as otherwise provided in the EH-BT Trust Deed, not less than two holders of EH-BT Units must be present in person or by proxy of one-tenth in value of all the EH-BT Units for the time being in issue to constitute a quorum at any general meeting PROVIDED THAT (i) a proxy representing more than one holder of EH-BT Units shall only count as one holder of EH-BT Units for the purpose of determining the quorum and (ii) where a holder of EH-BT Units is represented by more than one proxy such proxies shall count as only one holder of EH-BT Units for the purpose of determining the quorum.

Under the EH-BT Trust Deed, on a poll, every holder of EH-BT Units who is present in person or by proxy shall have one vote for every EH-BT Unit which he holds or represents. Subject to the requirements of the prevailing listing rules of the SGX-ST, voting at a meeting shall be by poll.

Variation of Rights of Respective Classes of EH-BT Units

If at any time different classes of EH-BT Units are issued, the rights attached to any class (unless otherwise provided by the terms of issue of the EH-BT Units of that class) may, subject to any applicable laws, regulations and guidelines, whether or not EH-BT is being wound up, be varied or abrogated with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of EH-BT Units of that class. To every such Extraordinary Resolution of the holders of EH-BT Units of that class the provisions of the EH-BT Trust Deed relating to general meetings of the holders of EH-BT Units shall apply *mutatis mutandis* provided that the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one-third of the issued EH-BT Units of the class and that any EH-BT Unitholder of that class present in person or by proxy or by attorney may demand a poll.

The rights conferred upon the holders of EH-BT Units of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the EH-BT Units of that class or by the EH-BT Trust Deed as are in force at the time of such issue, be deemed to be varied by the creation or issue of further EH-BT Units ranking equally therewith, and would therefore require the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of EH-BT Units of such class.

The EH-BT Trust Deed does not impose more stringent conditions than those required by the applicable law.

Issue of EH-BT Units

The Trustee-Manager has the exclusive right to issue EH-BT Units for the account of EH-BT. For so long as EH-BT is listed on the SGX-ST, the Trustee-Manager may, subject to the provisions of the Listing Manual, the EH-BT Trust Deed, the BTA and any other relevant laws, regulations and guidelines, issue EH-BT Units.

In particular, the issuance of EH-BT Units will be subject to Section 36 of the BTA, which requires the approval by a majority of the number of votes of holders of EH-BT Units who, being entitled to do so, vote in person or by proxy present at a general meeting of holders of EH-BT Units.

If in connection with an issue of a EH-BT Unit, any requisite payment of the issue price for such EH-BT Unit has not been received by the Trustee-Manager before the seventh Business Day after the date on which the EH-BT Unit was agreed to be issued (or such other later date as the

Trustee-Manager may agree), the Trustee-Manager may cancel its agreement to issue such EH-BT Unit and such EH-BT Unit will be deemed never to have been issued or agreed to be issued. In such an event, the Trustee-Manager may charge the investor (and retain the same for its own account) a cancellation fee of such amount as the Trustee-Manager may from time to time determine to represent the administrative costs involved in processing the application for such EH-BT Unit.

Suspension of Issue of EH-BT Units

The Trustee-Manager may, subject to the Listing Manual, suspend the issue of EH-BT Units during any of the following events:

- any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;

- the existence of any state of affairs which, in the opinion of the Trustee-Manager, might seriously prejudice the interests of the holders of EH-BT Units as a whole or the EH-BT Trust Property;

- any breakdown in the means of communication normally employed in determining the price of any assets of EH-BT or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange or when, for any reason, the prices of any assets of EH-BT cannot be promptly and accurately ascertained;

- any period when remittance of money which will or may be involved in the realisation of any asset of EH-BT or in the payment for such asset of EH-BT cannot, in the opinion of the Trustee-Manager, be carried out at normal rates of exchange;

- any period where the issuance of EH-BT Units is suspended pursuant to any order or direction issued by the MAS or other relevant regulatory authorities;

- in relation to any general meeting of the holders of EH-BT Units, any 72-hour period before such general meeting or any adjournment thereof; or

- when the business operations of the Trustee-Manager in relation to EH-BT are substantially interrupted or closed as a result of, or arising from, nationalisation, expropriation, currency restrictions, pestilence, widespread communicable and infectious diseases, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes, nuclear fusion or fission or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Trustee-Manager and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised (as set out above) exists, upon the declaration in writing thereof by the Trustee-Manager.

In the event of any suspension while EH-BT is listed on the SGX-ST, the Trustee-Manager shall ensure that the immediate announcement of such suspension is made through the SGX-ST.

Meeting of Holders of EH-BT Units

Under applicable laws and the provisions of the EH-BT Trust Deed, EH-BT will not hold any meetings for holders of EH-BT Units unless the Trustee-Manager convenes a meeting or unless not less than 10.0% of total voting rights of all holders of EH-BT Units request a meeting to be convened.

A meeting of holders of EH-BT Units when convened may:

- by Extraordinary Resolution and in accordance with the EH-BT Trust Deed, sanction any modification, alteration or addition to the EH-BT Trust Deed which shall be proposed by the Trustee-Manager as provided in the EH-BT Trust Deed;

- by Extraordinary Resolution and in accordance with the EH-BT Trust Deed, sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of fees payable to the Trustee-Manager;

- by Extraordinary Resolution and in accordance with the EH-BT Trust Deed, remove the auditors of EH-BT;

- by Extraordinary Resolution and in accordance with the EH-BT Trust Deed, delist EH-BT after it has been listed; and

- by Extraordinary Resolution and in accordance with the EH-BT Trust Deed, remove the Trustee-Manager.

Any decision to be made by resolution of the holders of EH-BT Units other than the above shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the BTA or applicable laws and regulations.

Except as otherwise provided for in the EH-BT Trust Deed, 14 days' notice at the least (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the holders of EH-BT Units in the manner provided in the EH-BT Trust Deed. The quorum at a meeting shall not be less than two holders of EH-BT Units present in person or by proxy, PROVIDED THAT (i) a proxy representing more than one holder of EH-BT Units shall count as one holder of EH-BT Units for the purpose of determining the quorum; and (ii) where a holder of EH-BT Units is represented by more than one proxy such proxies shall count as only one holder of EH-BT Units for the purpose of determining the quorum. Each notice shall specify the place, day and hour of the meeting, and the terms of the resolutions to be proposed, and each such notice may, in general, be published in any one leading English-language daily newspaper in Singapore.

Subject to the requirements of the prevailing listing rules by the SGX-ST, voting at a meeting shall be by poll. On a poll, every holder of EH-BT Units has one vote for each EH-BT Unit of which it is the holder. The EH-BT Trust Deed does not contain any limitation on non-Singapore resident or foreign holders of EH-BT Units holding EH-BT Units or exercising the voting rights with respect to their holdings of EH-BT Units.

Neither the Trustee-Manager nor any of its associates shall be entitled to vote or be counted as part of a quorum at a meeting convened to consider a matter in respect of which the Trustee-Manager or any of its associates has a material interest save for an Extraordinary Resolution duly proposed to remove the Trustee-Manager, in which case, no holder of EH-BT Units shall be disenfranchised.

For so long as the Trustee-Manager is the trustee-manager of EH-BT, the controlling shareholders (as defined in the Listing Rules) of the Trustee-Manager and of any of its associates are prohibited from voting or being counted as part of a quorum for any meeting of holders of EH-BT Units convened to consider a matter in respect of which the relevant controlling shareholders of the Trustee-Manager and/or of any of its associates have a material interest.

Rights and Liabilities of the Holders of EH-BT Units

The key rights of the holders of EH-BT Units include rights to:

- receive income and other distributions attributable to the EH-BT Units held;
- receive audited accounts and the annual reports of EH-BT; and
- participate in the winding-up or liquidation of EH-BT by receiving a share of all net cash proceeds derived from the realisation of the assets of EH-BT less any liabilities, in accordance with their proportionate interests in EH-BT.

No holder of EH-BT Units has a right to require that any asset of EH-BT be transferred to him.

Further, holders of EH-BT Units cannot give any directions to the Trustee-Manager (whether at a meeting of the holders of EH-BT Units or otherwise) if it would require the Trustee-Manager to do or omit doing anything which may result in:

- EH-BT ceasing to comply with applicable laws and regulations; or
- the exercise of any discretion expressly conferred on the Trustee-Manager by the EH-BT Trust Deed or the determination of any matter which, under the EH-BT Trust Deed, requires the agreement of the Trustee-Manager.

The EH-BT Trust Deed contains provisions that are designed to limit the liability of a holder of EH-BT Units to the amount paid or payable for any EH-BT Unit. The provisions seek to ensure that if the issue price of the EH-BT Units held by a holder of EH-BT Units has been fully paid, no such holder of EH-BT Units, by reason alone of being a holder of EH-BT Units, will be personally liable to indemnify the Trustee-Manager or any creditor of EH-BT in the event that the liabilities of EH-BT exceed its assets.

Limitation on Right to Own EH-BT Units

EH-BT Units Issued to Persons Resident outside Singapore

In relation to any rights issue, the Trustee-Manager may in its absolute discretion elect not to extend an offer of EH-BT Units under the rights issue to those holders of EH-BT Units, whose addresses are outside Singapore. In such an event, the rights or entitlements to the EH-BT Units of such holders of EH-BT Units will be offered for subscription by the Trustee-Manager as the nominee and authorised agent of each such relevant EH-BT Unitholder in such manner and at such price, as the Trustee-Manager may determine.

Where necessary, the Trustee-Manager shall have the discretion to impose such other terms and conditions in connection with the sale. The proceeds of any such sale, if successful, will be paid to the relevant holders of EH-BT Units whose rights or entitlements have been thus sold, provided that where such proceeds payable to the relevant holders of EH-BT Units are less than S$10.00, the Trustee-Manager shall be entitled to retain such proceeds as part of the EH-BT Trust Property.

Amendments to the EH-BT Trust Deed

After the Listing Date, the Trustee-Manager shall be entitled, by deed supplemental hereto (including by way of an amending and restating deed), to modify, alter or add to the provisions of the EH-BT Trust Deed in such manner and to such extent as it may consider expedient for any purpose in accordance with the provisions of the BTA.

The BTA currently provides that the trust deed of a Registered Business Trust may (1) be amended by a resolution passed by the unitholders of that trust holding in the aggregate not less than 75.0% of the voting rights of all unitholders of the trust who, being entitled to do so, vote in person or by proxy present at a general meeting of which not less than 21 days' written notice specifying the intention to propose the resolution as a special resolution has been duly given; or (2) where the modification is necessary in order to comply with any written law or rule of law applicable in Singapore, by the trustee-manager of the Registered Business Trust.

Circumstances under which the Trustee-Manager may be Indemnified out of the EH-BT Trust Property

In general, subject to any express provision under the EH-BT Trust Deed and without prejudice to any right of indemnity at law given to the Trustee-Manager, the Trustee-Manager is entitled for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as EH-BT's trustee-manager to have recourse to the EH-BT Trust Property or any part thereof, save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, gross negligence, wilful default or breach of trust by the Trustee-Manager or where the Trustee-Manager fails to exercise Due Care.

Circumstances under which the Trustee-Manager may Exclude Liability in Relation to Carrying Out of Its Duties With Respect to EH-BT

Subject to the duties and obligations of the Trustee-Manager under the EH-BT Trust Deed, the Trustee-Manager shall not be liable for any act or omission of the Trustee-Manager in relation to EH-BT save where there is, on the part of the Trustee-Manager, fraud, gross negligence, wilful default or breach of trust or where the Trustee-Manager fails to exercise Due Care.

In the absence of fraud, wilful default or breach of trust by the Trustee-Manager or where the Trustee-Manager fails to exercise Due Care, the Trustee-Manager shall not incur any liability to the holders of EH-BT Units by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the EH-BT Trust Deed.

Substantial EH-BT Holdings

The EH-REIT Trust Deed and the EH-BT Trust Deed contain provisions relating to reporting requirements applicable to a Substantial EH-REIT Unitholder and a Substantial EH-BT Unitholder (each as defined herein), as required under the SFA and the BTA.

As the Stapled Securities comprise EH-REIT Units and EH-BT Units stapled together, the Stapled Securityholders have to comply with the regulatory requirements imposed on both EH-REIT and EH-BT, including that of the requirement to disclose substantial holdings.

Pursuant to Sections 135 to 137B of the SFA (read with Section 137J of the SFA), Substantial EH-BT Unitholders are required to notify the Trustee-Manager within two Business Days after becoming aware of their becoming a Substantial EH-BT Unitholder, of any subsequent change in the percentage level of such holdings (rounded down to the next whole number) or their ceasing to be a Substantial EH-BT Unitholder.

Failure to comply with the notification requirements of the SFA constitutes an offence and will render such Substantial EH-BT Unitholder liable to a fine on conviction.

Holders of Voting Shares in the Trustee-Manager

Pursuant to Section 137P of the SFA, where the percentage of interest of a person in the voting shares in the Trustee-Manager reaches, crosses or falls below 15%, 30%, 50% or 75%, he shall give notice in writing to the Trustee-Manager within two Business Days after he becomes aware of this.

Failure to comply with the notification requirements of the SFA constitutes an offence and will render a Substantial Shareholder in the Trustee-Manager liable to a fine on conviction.

The Trustee-Manager Board's Declaration of Holdings of EH-BT Units

Under Section 13 of the BTA, the Trustee-Manager Directors are required to give notice to the Trustee-Manager of their acquisition of EH-BT Units or of changes to the number of EH-BT Units which they hold or in which they have an interest, within two Business Days after such acquisition or the occurrence of the event giving rise to changes in the number of EH-BT Units which they hold or in which they have an interest, as applicable. Upon such notification, the Trustee-Manager will promptly announce such interests or changes via SGXNET or to any other relevant Recognised Stock Exchange.

Duty of the Trustee-Manager to Make Disclosure

Pursuant to Section 137R of the SFA, where the Trustee-Manager (i) acquires or disposes of interests in EH-BT Units or (ii) has been notified in writing by a Substantial EH-BT Unitholder or director or the chief executive officer of the Trustee-Manager pursuant to the unitholdings disclosure requirements of the SFA as set out below, or has been notified by a person who holds an interest in voting shares in the Trustee-Manager pursuant to a requirement imposed on him under Section 137P of the SFA, the Trustee-Manager shall announce such information on the SGXNET as soon as practicable and in any case no later than the end of the Business Day following the day on which the Trustee-Manager became aware of such information or received the notice.

Directors and Chief Executive Officer of the Trustee-Manager

Pursuant to Section 137N of the SFA, directors and the chief executive officer of the Trustee-Manager will be required to notify the Trustee-Manager in writing of, inter alia, their acquisition of EH-BT Units or of changes to the number of EH-BT Units which they hold or in which they have an interest, within two Business Days after such acquisition or after becoming aware of such change, as the case may be.

A director or chief executive officer of the Trustee-Manager is deemed to have an interest in EH-BT Units, inter alia, in the following circumstances:

- Where the director or chief executive officer of the Trustee-Manager is the beneficial owner of a EH-BT Unit (whether directly through a Securities Account or indirectly through a depository agent or otherwise), he is deemed to have an interest in that EH-BT Unit.

- Where a body corporate is the beneficial owner of a EH-BT Unit and the director or chief executive officer of the Trustee-Manager is entitled to exercise or control the exercise of not less than 20.0% of the votes attached to the voting shares in the body corporate, he is deemed to have interest in that EH-BT Unit.

- Where the Trustee-Manager's director's or chief executive officer's (i) spouse or (ii) son, adopted son, stepson, daughter, adopted daughter or step-daughter below the age of 21 years has any interest in a EH-BT Unit, he is deemed to have an interest in that EH-BT Unit.

- Where the director or chief executive officer of the Trustee-Manager, his (i) spouse or (ii) son, adopted son, stepson, daughter, adopted daughter or step-daughter below the age of 21 years:

  – has entered into a contract to purchase a EH-BT Unit;

  – has a right to have a EH-BT Unit transferred to any of them or to their order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;

  – has the right to acquire a EH-BT Unit under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or

  – is entitled (otherwise than by reason of any of them having been appointed a proxy or representative to vote at a meeting of EH-BT Unitholders) to exercise or control the exercise of a right attached to a EH-BT Unit, not being a EH-BT Unit of which any of them is the holder, the director or chief executive officer of the Trustee-Manager is deemed to have an interest in that EH-BT Unit.

  - Where the property subject to a trust consists of or includes a EH-BT Unit and the director or chief executive officer of the Trustee-Manager knows or has reasonable grounds for believing that he has an interest under the trust and the property subject to the trust consists of or includes such EH-BT Unit, he is deemed to have an interest in that EH-BT Unit.

The Trustee-Manager

The Trustee-Manager is Eagle Hospitality Business Trust Management Pte. Ltd. The Trustee-Manager is a company incorporated on 30 August 2018 in Singapore. The Trustee-Manager has an issued share capital of S$1.00. The registered office of the Trustee-Manager is at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

Powers, Duties and Obligations of the Trustee-Manager

The Trustee-Manager's powers, duties and obligations are set out in the EH-BT Trust Deed. The powers and duties of the Trustee-Manager include:

- acting as trustee-manager of EH-BT and, in such capacity, safeguarding the rights and interests of the holders of EH-BT Units, for example, by satisfying itself that transactions it enters into for and on behalf of EH-BT with an Interested Person of EH-BT are conducted on normal commercial terms, are not prejudicial to the interests of EH-BT and the holders of EH-BT Units, and in accordance with all applicable requirements under all applicable laws, rules and regulations including the BTA and the Listing Manual relating to the transaction in question;

- holding the assets of EH-BT on trust for the benefit of the holders of EH-BT Units in accordance with the EH-BT Trust Deed;

- lending monies out of the assets of EH-BT for the benefit of the Stapled Securityholders as a whole to any stapled entity in accordance with the EH-BT Trust Deed and subject to compliance with the applicable laws, regulations and guidelines; and

- exercising all the powers of a trustee-manager and the powers that are incidental to the ownership of the assets of EH-BT.

The Trustee-Manager has covenanted in the EH-BT Trust Deed that it will use its best endeavours to carry on and conduct its business in a proper and efficient manner in the best interests of the holders of EH-BT Units as a whole (subject to, the overriding best interests of Stapled Securityholders, as permitted under all applicable laws, regulations and guidelines).

In the exercise of its powers, the Trustee-Manager may, subject to the provisions of the EH-BT Trust Deed, acquire or dispose of any real or personal property, borrow and encumber any asset.

The Trustee-Manager may, subject to the provisions of the EH-BT Trust Deed, appoint and engage:

- a person or entity to exercise any of its powers or perform its obligations; and

- any real estate agents or managers, including an Interested Person, in relation to the management, development, leasing, purchase or sale of any of real estate assets and real estate-related assets

The Trustee-Manager must carry out its functions and duties and comply with all the obligations imposed on it and set out in the EH-BT Trust Deed, the Listing Manual, the SFA, the BTA, the Tax Ruling and all other applicable laws, regulations and guidelines. It must retain EH-BT's assets, or cause EH-BT's assets to be retained, in safe custody and cause EH-BT's accounts to be audited. It can appoint valuers to value the real estate assets and real estate-related assets of EH-BT.

The Trustee-Manager is not personally liable to a holder of EH-BT Units in connection with the office of the Trustee-Manager except in respect of its own fraud, gross negligence, wilful default, breach of trust or breach of the EH-BT Trust Deed or Stapling Deed or where the Trustee-Manager fails to exercise Due Care. Any liability incurred and any indemnity to be given by the Trustee-Manager shall be limited to the assets of EH-BT over which the Trustee-Manager has recourse, provided that the Trustee-Manager has acted without fraud, gross negligence, wilful default, breach of trust or breach of the EH-BT Trust Deed or where the Trustee-Manager has exercised Due Care. The EH-BT Trust Deed contains certain indemnities in favour of the Trustee-Manager under which it will be indemnified out of the assets of EH-BT for liability arising in connection with certain acts or omissions. These indemnities are subject to any applicable laws.

Resignation or Removal of the Trustee-Manager

The Trustee-Manager may resign or be removed under the following circumstances:

- The Trustee-Manager shall only resign in accordance with the relevant laws, regulations and guidelines and its resignation shall only be upon the appointment of a new Trustee-Manager (such appointment to be made in accordance with the provisions of the EH-BT Trust Deed); and

- The Trustee-Manager may be removed in accordance with the relevant laws, regulations and guidelines.

(See "Management and Corporate Governance – EH-BT – Retirement or Removal of the Trustee-Manager" for further details.)

Changes in the Fees and Charges payable to the Trustee-Manager

An Extraordinary Resolution of the holders of EH-BT Units at a meeting convened and held in accordance with the provisions of the EH-BT Trust Deed is required to approve:

- any increase in the rate or any change in the structure of the Trustee-Manager's management fee or trustee fee; and

- any increase in the rate above the permitted level or any change in the structure of the Trustee-Manager's acquisition fee, divestment fee and development management fee.

Winding-up of EH-BT

Under the EH-BT Trust Deed, EH-BT shall be of indefinite duration. In the event that any law is passed which renders it illegal or, in the opinion of the Trustee-Manager, impracticable or inadvisable to continue EH-BT, EH-BT may, without prejudice to the provisions of the BTA, be wound up subject to approval by the holders of EH-BT Units by way of an Extraordinary Resolution duly passed by the holders of EH-BT Units at a meeting convened by the Trustee-Manager in accordance with the EH-BT Trust Deed.

Generally, as soon as practicable after the commencement of the winding-up of EH-BT, the Trustee-Manager shall, subject to any authorisations or directions given to it by the holders of EH-BT Units pursuant to the EH-BT Trust Deed, sell the EH-BT Trust Property and repay any borrowings incurred on behalf of EH-BT in accordance with the EH-BT Trust Deed (together with any interest accrued but remaining unpaid) as well as all other debts and liabilities in respect of EH-BT before distributing the balance of the EH-BT Trust Property to the holders of EH-BT Units in accordance with their proportionate interests in the EH-BT Trust Property.

Issue of Stapled Securities

For as long as EH-REIT Units are stapled to EH-BT Units, the REIT Manager may only issue EH-REIT Units if such issue is accompanied by the issue of EH-BT Units. Similarly, the Trustee-Manager may only issue EH-BT Units if such issue is accompanied by the issue of EH-REIT Units. For the avoidance of doubt, both the Managers must satisfy the requirements under the EH-REIT Trust Deed and the EH-BT Trust Deed for the issue of EH-REIT and EH-BT Units before Stapled Securities can be issued. On the assumption that EH-BT Units will remain stapled to EH-REIT Units, see the section "– The Formation and Structure of EHT – Issue of the Stapled Securities" above for a discussion on the issue of Stapled Securities.

CERTAIN AGREEMENTS RELATING TO EHT, EH-REIT, EH-BT AND THE PROPERTIES

The agreements discussed in this section are complex documents and the following is a summary only. Investors should refer to the agreements themselves to confirm specific information or for a detailed understanding of EHT, EH-REIT, EH-BT and the Properties. Copies of these agreements are available for inspection at the registered office of the REIT Manager at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 and the registered office of the Trustee-Manager at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 for a period of six months from the date of this Prospectus.

RIGHT OF FIRST REFUSAL AGREEMENTS

HW ROFR

Howard Wu has on 17 April 2019 granted a right of first refusal to the REIT Trustee and the Trustee-Manager for so long as:

- EHT is listed on and quoted for on the Main Board of the SGX-ST;
- the REIT Manager or any of its related corporations remains the manager of EH-REIT;
- the Trustee-Manager or any of its related corporations remains the trustee-manager of EH-BT; and
- Howard Wu and/or any corporations which he directly or indirectly owns 50% or more, alone or in aggregate, remains as a controlling shareholder of the REIT Manager and/or controlling shareholder of the Trustee-Manager.

For purposes of the HW ROFR:

- "**control**" means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a corporation;
- a "**controlling shareholder**" means a person who (i) holds directly or indirectly 15.0% or more of the total number of issued shares of the company or (ii) in fact exercises control over the company;
- "**immediate family**" in relation to Howard Wu means his spouse, child, adopted child, step-child, sibling and parent;
- a "**related corporation**" has the same meaning as ascribed to it in the Companies Act;
- a "**HW Relevant Entity**" means (i) Howard Wu or any existing or future corporations or private funds which Howard Wu controls or, directly or indirectly holds at least 50%; or (ii) existing or future private funds managed by Howard Wu or managed by any existing or future corporations which Howard Wu controls or, directly or indirectly holds at least 50%; or (iii) any existing or future corporations or private funds which the Founders (and (if applicable) any of their transferees pursuant to paragraph (i) below) collectively, controls or, directly or indirectly holds at least 50%, or any existing or future private funds managed by any existing or future corporations which the Founders collectively, controls or, directly or indirectly holds at least 50%. Where such corporations are not wholly-owned by Howard Wu or where the interests in such private funds are not wholly-owned by Howard Wu, and their other shareholder(s) or private fund investor(s) is/are third parties (other than the transferees referred to in paragraph (i) below), such corporations or private funds will be subject to the HW ROFR only upon obtaining the consent of such third parties (other than the transferees

referred to in paragraph (i) below), and in this respect, Howard Wu shall use its best endeavours to obtain such consent.

- a "**Relevant Asset**" refers to a completed income-producing real estate which is used primarily for hospitality and/or hospitality-related purposes, located in the U.S., as well as real estate-related assets in connection with the foregoing. Real estate used for "**hospitality**" purposes includes hotels, serviced residences, resorts and other lodging facilities, whether in existence by themselves as a whole or as part of larger mixed-use developments, which may include commercial, entertainment, retail and leisure facilities. Notwithstanding the above, a Relevant Asset shall exclude any interest in any real estate asset which Howard Wu transfers or intends to transfer to any member(s) of his immediate family as a gift or for estate planning purposes provided that such transferee(s) shall provide a ROFR to the REIT Trustee and the Trustee-Manager on similar terms as the HW ROFR in respect of such asset.

The HW ROFR shall cover any proposed offer by a HW Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the HW Relevant Entity ("**Proposed Disposal**"). If the Relevant Asset is owned jointly by a HW Relevant Entity together with one or more third parties and the consent of any of such third parties is required for the Relevant Asset to be offered to EHT or its subsidiaries, Howard Wu shall use its best endeavours to obtain the consent of the relevant third party or parties, failing which the HW ROFR shall not apply to the disposal of such Relevant Asset. For the avoidance of doubt, the grant by any HW Relevant Entity of a lease (including a long term lease) over any such Relevant Asset (or any part thereof) for a rent or other service income shall not constitute or be deemed to constitute a Proposed Disposal for the purposes of this paragraph.

The HW ROFR shall:

(i) not apply to any interest in any real estate asset which Howard Wu transfers or intends to transfer to any member(s) of his immediate family as a gift or for estate planning purposes provided that Howard Wu undertakes to procure that such transferee(s) execute a right of first refusal to the REIT Trustee and the Trustee-Manager on similar terms as set out in the HW ROFR in respect of such interest;

(ii) be subject to any prior overriding contractual obligations which the HW Relevant Entity may have in relation to the Relevant Assets and/or to the third parties that hold interests in these HW Relevant Assets;

(iii) exclude the disposal of any interest in the Relevant Assets by a HW Relevant Entity to a related corporation of such HW Relevant Entity pursuant to a reconstruction, amalgamation, restructuring, merger and/or any analogous event or transfer of shares of the HW Relevant Entity between the shareholders as may be provided in any shareholders agreement; and

(iv) be subject to the applicable laws, regulations and government policies.

In the event that the REIT Trustee or the Trustee-Manager fails or does not wish to exercise the HW ROFR, the HW Relevant Entity will be free to dispose of the Relevant Asset to a third party on terms no more favourable to the third party that those offered by the HW Relevant Entity to the REIT Trustee or the Trustee-Manager, provided that if the completion of the disposal of the Relevant Assets by the HW Relevant Entity does not occur within 12 months from the date of the written notice of the Proposed Disposal, any proposal to dispose of such Relevant Asset after the aforesaid 12-month period shall then remain subject to the HW ROFR.

TW ROFR

Taylor Woods has on 17 April 2019 granted a right of first refusal to the REIT Trustee and the Trustee-Manager for so long as:

- EHT is listed on and quoted for on the Main Board of the SGX-ST;
- the REIT Manager or any of its related corporations remains the manager of EH-REIT;
- the Trustee-Manager or any of its related corporations remains the trustee-manager of EH-BT; and
- Taylor Woods and/or any corporations which he directly or indirectly owns 50% or more, alone or in aggregate, remains as a controlling shareholder of the REIT Manager and/or controlling shareholder of the Trustee-Manager.

For purposes of the TW ROFR:

- "**control**" means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a corporation;
- a "**controlling shareholder**" means a person who (i) holds directly or indirectly 15.0% or more of the total number of issued shares of the company or (ii) in fact exercises control over the company;
- "**immediate family**" in relation to Taylor Woods means his spouse, child, adopted child, step-child, sibling and parent;
- a "**related corporation**" has the same meaning as ascribed to it in the Companies Act;
- a "**TW Relevant Entity**" means (i) Taylor Woods or any existing or future corporations or private funds which Taylor Woods controls or, directly or indirectly holds at least 50%; or (ii) existing or future private funds managed by Taylor Woods or managed by any existing or future corporations which Taylor Woods controls or, directly or indirectly holds at least 50%; or (iii) any existing or future corporations or private funds which the Founders (and (if applicable) any of their transferees pursuant to paragraph (i) below) collectively, controls or, directly or indirectly holds at least 50%, or any existing or future private funds managed by any existing or future corporations which the Founders collectively, controls or, directly or indirectly, holds at least 50%. Where such corporations are not wholly-owned by Taylor Woods or where the interests in such private funds are not wholly-owned by Taylor Woods, and their other shareholder(s) or private fund investor(s) is/are third parties (other than the transferees referred to in paragraph (i) below), such corporations or private funds will be subject to the TW ROFR only upon obtaining the consent of such third parties (other than the transferees referred to in paragraph (i) below), and in this respect, Taylor Woods shall use its best endeavours to obtain such consent;
- a "**Relevant Asset**" refers to a completed income-producing real estate which is used primarily for hospitality and/or hospitality-related purposes, located in the U.S., as well as real estate-related assets in connection with the foregoing. Real estate used for "**hospitality**" purposes includes hotels, serviced residences, resorts and other lodging facilities, whether in existence by themselves as a whole or as part of larger mixed-use developments, which may include commercial, entertainment, retail and leisure facilities. Notwithstanding the above, a Relevant Asset shall exclude any interest in any real estate asset which Taylor Woods transfers or intends to transfer to any member(s) of his immediate family as a gift or for estate planning purposes provided that such transferee(s) shall provide a ROFR to the REIT Trustee and the Trustee-Manager on similar terms as the TW ROFR in respect of such asset.

The TW ROFR shall cover any proposed offer by a TW Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the TW Relevant Entity ("**Proposed Disposal**"). If the Relevant Asset is owned jointly by a TW Relevant Entity together with one or more third parties and the consent of any of such third parties is required for the Relevant Asset to be offered to EHT or its subsidiaries, Taylor Woods shall use its best endeavours to obtain the consent of the relevant third party or parties, failing which the TW ROFR shall not apply to the disposal of such Relevant Asset. For the avoidance of doubt, the grant by any TW Relevant Entity of a lease (including a long term lease) over any such Relevant Asset (or any part thereof) for a rent or other service income shall not constitute or be deemed to constitute a Proposed Disposal for the purposes of this paragraph.

The TW ROFR shall:

(i) not apply to any interest in any real estate asset which Taylor Woods transfers or intends to transfer to any member(s) of his immediate family as a gift or for estate planning purposes provided that Taylor Woods undertakes to procure that such transferee(s) execute a right of first refusal to the REIT Trustee and the Trustee-Manager on similar terms as set out in the TW ROFR in respect of such interest;

(ii) be subject to any prior overriding contractual obligations which the TW Relevant Entity may have in relation to the Relevant Assets and/or to the third parties that hold interests in these TW Relevant Assets;

(iii) exclude the disposal of any interest in the Relevant Assets by a TW Relevant Entity to a related corporation of such TW Relevant Entity pursuant to a reconstruction, amalgamation, restructuring, merger and/or any analogous event or transfer of shares of the TW Relevant Entity between the shareholders as may be provided in any shareholders agreement; and

(iv) be subject to the applicable laws, regulations and government policies.

In the event that the REIT Trustee or the Trustee-Manager fails or does not wish to exercise the TW ROFR, the TW Relevant Entity will be free to dispose of the Relevant Asset to a third party on terms no more favourable to the third party that those offered by the TW Relevant Entity to the REIT Trustee or the Trustee-Manager, provided that if the completion of the disposal of the Relevant Assets by the TW Relevant Entity does not occur within 12 months from the date of the written notice of the Proposed Disposal, any proposal to dispose of such Relevant Asset after the aforesaid 12-month period shall then remain subject to the TW ROFR.

MASTER LEASE AGREEMENTS

Under the Master Lease Agreements, the applicable freehold or leasehold owners of the Hotels (the "**Master Lessors**") lease the Hotels to affiliates of the Sponsor (as master lessee) (each a "**Master Lessee**"), together with, except for limited purposes, all equipment, fixtures, inventory, leases and other property located at the Hotels, all as described in further detail below.

Lease Term

The term of each Master Lease Agreement is for 20 years with an option, provided no event of default under the Master Lease Agreement has occurred and is continuing, for the Master Lessee to obtain an additional term of 14 years for all Properties located in California and an additional term of 20 years for all other Properties located elsewhere, on the same terms and conditions, other than amendments which the Master Lessor may require due to change in law and the exclusion of any further option to renew.

Gross Rent

Rental revenue under the terms of the Master Lease Agreements comprises an annual Fixed Rent, which represents the minimum rental revenue to be received by EH-REIT, and a Variable Rent computed on an annual basis, as set out in the table below. The computation of the Fixed Rent and/or Variable Rent will not be subject to any adjustments. The Variable Rent formula for all Properties (except The Queen Mary Long Beach), is computed based on the sum (i) a fixed portion of the Hotel's Gross Operating Revenue for that fiscal year and (ii) a fixed portion of the Hotel's Gross Operating Profit (i.e., Gross Operating Revenue minus operating expenses payable by the Master Lessee) for that fiscal year (in each case described in the table below), less the Fixed Rent for the relevant fiscal year. If the calculation of the Variable Rent yields a negative figure, the Variable Rent will be deemed to be zero.

For the Queen Mary Long Beach, the Variable Rent formula is computed only based on the stated Percentage of Gross Operating Profit for that fiscal year.

Name of Hotel	Annual Fixed Rent	Variable Rent
Sheraton Pasadena	US$4.2 million	22.0% of GOR plus 24.0% of GOP minus Fixed Rent
Holiday Inn & Suites Anaheim	US$3.0 million	26.0% of GOR plus 25.0% of GOP minus Fixed Rent
Embassy Suites by Hilton Anaheim North	US$2.1 million	20.0% of GOR plus 17.0% of GOP minus Fixed Rent
Holiday Inn Hotel & Suites San Mateo	US$3.3 million	28.0% of GOR plus 29.0% of GOP minus Fixed Rent
Four Points by Sheraton San Jose Airport	US$2.8 million	24.0% of GOR plus 24.0% of GOP minus Fixed Rent
The Westin Sacramento	US$1.6 million	23.0% of GOR plus 22.0% of GOP minus Fixed Rent
Embassy Suites by Hilton Palm Desert	US$1.4 million	18.0% of GOR plus 17.0% of GOP minus Fixed Rent
The Queen Mary Long Beach(1)	US$10.4 million/ US$10.608 million	8.0% of GOP
Renaissance Denver Stapleton	US$3.9 million	17.0% of GOR plus 24.0% of GOP minus Fixed Rent
Holiday Inn Denver East – Stapleton	US$2.3 million	20.0% of GOR plus 22.0% of GOP minus Fixed Rent
Sheraton Denver Tech Center Hotel	US$1.8 million	16.0% of GOR plus 18.0% of GOP minus Fixed Rent
Holiday Inn Resort Orlando Suites – Waterpark	US$7.5 million	19.0% of GOR plus 22.0% of GOP minus fixed rent
Crowne Plaza Dallas Near Galleria-Addison	US$2.5 million	18.0% of GOR plus 20.0% of GOP minus Fixed Rent
Hilton Houston Galleria Area	US$2.2 million	22.0% of GOR plus 20.0% of GOP minus Fixed Rent
Renaissance Woodbridge	US$3.4 million	19.0% of GOR plus 19.0% of GOP minus Fixed Rent

Name of Hotel	Annual Fixed Rent	Variable Rent
Crowne Plaza Danbury	US$0.8 million	10.0% of GOR plus 10.0% of GOP minus Fixed Rent
Doubletree by Hilton Salt Lake City Airport	US$2.6 million	21.0% of GOR plus 22.0% of GOP minus Fixed Rent
Hilton Atlanta Northeast	US$2.4 million	19.0% of GOR plus 20.0% of GOP minus Fixed Rent
Total	**US$58.2 million/ US$58.408 million**	

Note:

(1) Fixed Rent is US$10.4 million per annum in Forecast Period 2019 with a rental escalation of 2.0% per annum from Projection Year 2020 and onwards.

The quantum of the Variable Rent will be adjusted (i) monthly based on estimates of the Variable Rent made by the Master Lessee and (ii) within 21 days after the audited profit and loss statement for each Hotel for such fiscal year is completed for a final reconciliation.

If a Hotel is damaged or destroyed, the Master Lessee is not liable to pay rent for the period that the affected Hotel cannot be used, and if part of the affected Hotel is still useable, the Master Lessee's liability to pay rent is adjusted such that:

(i) if the total reinstatement costs for the part(s) of the premises damaged or destroyed exceed 25.0% of the total reinstatement cost at or around the time of occurrence of the damage (as determined by a qualified and independent contractor selected in good faith by the Master Lessor), the Master Lessee will pay a reduced rent equivalent to half the Fixed Rent (and any Variable Rent as normally due) for the period from the date such damage occurred until the date of completion of restoration and reinstatement; or

(ii) if the total reinstatement costs for the part(s) of the premises damaged or destroyed do not exceed 25.0% of the total reinstatement cost at or around the time of occurrence of the damage (as determined by a qualified and independent contractor selected in good faith by the Master Lessor), the Master Lessee will continue to pay the rent, without any abatement of the Fixed Rent amount, for the period from the date such damage occurred until the date of completion of restoration and reinstatement.

In the event of the occurrence of scenario (i), either the Master Lessor or the Master Lessee may terminate the Master Lease Agreement by written notice to the other party, and no compensation is payable in respect of such termination. If the damage or destruction does not satisfy the above threshold, the Master Lessor must use the insurance proceeds which it receives to restore or reinstate (i) the Hotel to the condition of the Hotel existing immediately prior to the occurrence of the damage or destruction as far as practicable; and (ii) the FF&E, operating equipment and inventories (to the extent not required to be insured by the lessee under the Master Lease Agreement), to the extent possible with the available insurance proceeds actually received by the Master Lessor.

Each Master Lessee will provide a security deposit, by way of cash or letter of credit, of an amount equivalent to nine months of the monthly Fixed Rent and each Master Lessee acknowledges that such security deposit may be pledged by the applicable Master Lessor as security under any applicable financing of such Master Lessor. SPV1 will provide certain collateral to UBS AG, Singapore Branch to issue counter-standby letters of credit to an issuing bank in the U.S. which is unrelated to the Offering (a "**Third Party Financial Institution**"), which will be issuing standby letters of credit for the benefit of the Master Lessors which will be used to satisfy part of the

security deposit amounts required under the Master Leases. The standby letters of credit from the Third Party Financial Institution will in turn be used by EH-REIT as additional collateral under the New Term Loan Facilities from the Facilities Lenders. The Queen Mary Long Beach Master Lease is a triple-net lease, whereby the Master Lessee will pay all taxes, insurance, and ground rent payable under the Queen Mary Ground Lease.

Agreed CIF Plan

The Master Lessee will be preparing a plan annually in relation to the anticipated acquisition, repair, alteration, improvement and replacement of the Plant, Services, Infrastructure (as defined in the Master Lease Agreement) and FF&E (including capital improvements and any PIP or other work required with respect to the Franchise Agreements) (the "**CIF Works**") and the estimated cost of those works for the relevant fiscal year. The CIF plan is subject to the Master Lessor's approval (the "**Agreed CIF Plan**") and the Master Lessee shall be responsible for the upkeep, maintenance and replacement of or additions to the Plant, Services Infrastructure and FF&E in accordance with the Agreed CIF Plan, except for major capital improvements, which are the responsibility of Master Lessor, as discussed below. All items of Plant, Services, Infrastructure and FF&E which are brought onto the premises by the Master Lessee or which are replaced by the Lessee during the term of the Master Lease Agreement, will be the property of the Master Lessor.

At each fiscal quarter, the Master Lessor must set aside in the reserve established for the purpose of funding the CIF Works (the "**CIF Reserve**"), an amount equivalent to the CIF Contribution described below (subject to receipt of the CIF Contribution from the Master Lessee). The CIF Reserve shall be held by the Master Lessor in an account established with a reputable financing institution. The CIF Reserve must be used and disbursed only in accordance with the Agreed CIF Plan. The Master Lessee may request that the Master Lessor draw down from the CIF Reserve to incur expenses and/or reimburse the Master Lessee as necessary in accordance with the Agreed CIF Plan. Any expenditure from the CIF Reserve in excess of (or differing in purpose from) that provided in the Agreed CIF Plan shall require the prior approval of the Master Lessor (in its sole and absolute discretion). However, expenditures less than those provided in the Agreed CIF Plan (e.g. cost savings) do not require the approval of the Master Lessor. A failure by the Master Lessee to make a required CIF Contribution, in accordance with the Master Lease Agreement, would be a default.

The CIF Contribution is determined based on the amount equal to the greatest of (i) a pre-determined percentage[1] of Gross Room Revenue (or Gross Operating Revenue with respect to Renaissance Woodbridge and The Queen Mary Long Beach), (ii) the amounts actually required (and not waived) by the Hotel Franchisor under the Franchise Agreement with respect to CIF Works (but excluding any major capital improvements[2]) and (iii) the amounts actually required (and not waived) by the lender(s) under any indebtedness whose covenants apply to the premises with respect to CIF Works (but excluding any major capital improvements) (or a good faith estimation thereof as determined by the Master Lessor). It is customary in financing by US lenders to have loan covenants which typically require the property owner or property operator to comply with the applicable franchise agreement and accordingly keep the applicable property in good working condition. As such, it is possible that future financing by US lenders could impose more

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1 The pre-determined percentage is based on an estimate of the amount of expenditure required for ongoing repair and maintenance of FF&E, plant and infrastructure and capital improvements agreed between the Master Lessor and the Master Lessee, taking into account various factors including but not limited to the age and historical operations of the property.

2 "Major capital improvements" refer to such capital improvements that (i) involve a material physical expansion or alteration of the premises (including adding or removing guest rooms or meeting space or changing the configuration or layout of the Hotel) or (ii) involve the essential fabric of the Hotel being the foundations, load bearing walls, structural columns, structural floors or structural ceilings including the façade of the Hotel.

stringent requirements beyond those found in the applicable Franchise Agreements, and the Master Lessee would have to adhere to any such requirements in the future.

Any unutilised balance in the CIF Reserve at the end of a fiscal year must be carried forward and made available in the next fiscal year but this shall not reduce the required CIF Contribution by each Master Lessee to the CIF Reserve in the next fiscal year.

If the total amount spent by a Master Lessor for CIF Works in accordance with the Agreed CIF Plan in any fiscal year is in excess of the unutilised balance of the CIF Reserve, the difference shall be carried forward and debited against the Master Lessee's CIF Contribution required in the following year.

Unless otherwise agreed to in an Agreed CIF Plan, the Master Lessor may in its sole and absolute discretion contribute to the CIF Reserve; provided, that this shall not (i) reduce the Master Lessee's CIF Contribution to the CIF Reserve for the applicable fiscal year or any subsequent fiscal years or (ii) lessen any other amounts required to be contributed by the Master Lessee hereunder with respect to the CIF Reserve. Any contribution for discretionary projects by the Master Lessor would be outside the scope of the Agreed CIF Plan.

FF&E

The FF&E in each Hotel at the commencement date of the Master Lease Agreements will be the property of the Master Lessor and the FF&E acquired or replaced by the Master Lessee during the term of the Master Lease Agreement will be the property of the Master Lessor.

The Master Lessee shall leave the FF&E (excluding the Master Lessee's property) in the premises in the condition in which they are required to be kept under the Master Lease Agreement.

Inventory

All items of inventory which are acquired or replaced by a Master Lessee during the term of the Master Lease Agreements, will be the property of such Master Lessee subject to the condition that the inventory which is owned by such Master Lessee shall be transferred to the Master Lessor or its nominee upon the termination of the Master Lease Agreement at the net book value or US$1.00, whichever is the higher.

Annual Budget

Save and except for the first fiscal year in respect of which the annual budget has been approved prior to commencement of the term of the Master Lease Agreements, for each fiscal year, the Master Lessee must submit to the Master Lessor for review and approval by no later than 45 days prior (or on such other timeline as required by a loan obtained by EH-REIT or a subsidiary thereof with covenants that apply to a Property or a loan directly to the Master Lessor) to the commencement of the following fiscal year, an annual budget for that fiscal year. The Annual Budget includes, amongst other things, a proposed capital budget for major capital improvements. In respect of such proposed capital budget for all Properties (other than The Queen Mary Long Beach), the relevant Master Lessor is not obliged to undertake any expenditure for major capital improvements unless such expenditure is required (i) under (a) a loan obtained by EH-REIT or a subsidiary thereof with covenants that apply to a Property or (b) a loan directly to the Master Lessor, (c) respective Franchise Agreements or (d) respective Hotel Management Agreements, (ii) to comply with any directive, order or requirement of any relevant government authorities, (iii) to meet safety or health requirements relating to the Hotels or (iv) with respect to the Sheraton Denver Tech Center, Hilton Houston Galleria Area, Doubletree by Hilton Salt Lake City and Holiday Inn Resort Orlando Suites – Waterpark, to the complete in-process major capital improvements that are subject to the Cap Ex Notes pursuant to the Securities Purchase

Agreement. With respect to the proposed capital budget for Queen Mary Long Beach, the Master Lessee is responsible for all major capital improvements.

Franchise Agreements and Hotel Management Agreements

The Master Lessee is required to enter into or receive assignments of franchise agreements and hotel management agreements with the respective Hotel Franchisors and the Hotel Managers (as applicable) relating to each of the Hotels. In the event of any failure by the Hotel Franchisor and/or the Hotel Manager to perform their obligations under the relevant Franchise Agreement and/or Hotel Management Agreement, it would constitute an event of default under the Master Lease Agreement and entitle the Master Lessor to terminate the Master Lease Agreement. In addition, the Master Lessee is not entitled to waive (or fail to enforce) any material breach or default by the Hotel Manager or Hotel Franchisor under the Hotel Management Agreement or the Franchise Agreement (as the case may be) without the consent of the Master Lessor.

To the extent any of the provisions of a Franchise Agreement impose a greater obligation on the Master Lessee than the corresponding provisions of the Master Lease Agreement, the Master Lessee shall be obligated to comply with, and to take all commercially reasonable actions necessary to prevent breaches or defaults under the provisions of the, franchise agreements, except to the extent that the Master Lessee is prevented from complying with a franchise agreement because of the Master Lessor's acts such as its breach of its obligations under a Master Lease Agreement. The Master Lessee shall not terminate or enter into any modification of any Franchise Agreement without in each instance first obtaining the Master Lessor's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed). Subject to consent from the applicable Hotel Franchisor, each Master Lessor has agreed to enter into a non-disturbance agreement with the franchisor in respect of the franchise agreement (which means if a Master Lease Agreement is terminated the Master Lessor or a new lessee must continue to license the brand and operate the Hotel under that brand[1]). The Master Lease Agreement provides if an event a default has occurred and is continuing and a Master Lease Agreement is terminated, the brand shall (if a non-disturbance agreement with respect to the Franchise Agreement has been executed by the Master Lessor) attorn to the Master Lessor and waive any right the Hotel Franchisor may have to terminate the Franchise Agreement as a result of the termination of the Master Lease Agreement, provided the Hotel Franchisor continues to be paid, and the Master Lessor (or any party acting by or through the Master Lessor) agrees to perform the Master Lessee's other obligations to the Hotel Franchisor under the Franchise Agreement which accrue subsequent to the date of termination.

The Hotels shall be operated and managed by the Hotel Managers under the terms of the relevant Hotel Management Agreements and each Master Lessor has agreed, if required by such Hotel Manager, to enter into a non-disturbance agreement with respect to the Hotel Management Agreements (which means if a Master Lease Agreement is terminated the Master Lessor (or any successor lessee) must continue to operate the Hotel under the Hotel Management Agreement). The Master Lessor shall have the right to approve (which approval shall not be unreasonably withheld, conditioned or delayed) of any replacement to a hotel manager. If an event of default occurs and is continuing and the Master Lease Agreement is terminated, the hotel manager shall (if the Master Lessor executes a non-disturbance agreement with respect to the hotel management agreement) attorn to Master Lessor and waive any right the hotel manager may have to terminate the Hotel Management Agreement as a result of the termination of a Master Lease, provided the Hotel Manager continues to be paid, and the Master Lessor (or any party acting by

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1 In addition, for the Marriott-branded Hotels (Sheraton Pasadena, Four Points by Sheraton San Jose Airport, The Westin Sacramento, Renaissance Denver Stapleton, Sheraton Denver Tech Center and Renaissance Woodbridge) the applicable Master Lessors have agreed with the applicable Hotel Franchisor that, if the applicable Master Lease Agreement is terminated due to an event of default caused by the applicable Master Lessee, such Hotel Franchisor may elect to have the Master Lessor or its new tenant (as the case may be) to continue to license the brand and operate the impacted Hotel under that brand for the remaining term of the applicable Franchise Agreement on the same terms.

or through the Master Lessor) agrees to perform the Master Lessee's other obligations to the Hotel Manager under the Hotel Management Agreement which accrue subsequent to the date of termination.

In connection with obtaining the consent of Pyramid Advisors Limited Partnership and its affiliates (as hotel managers) (collectively, "**Pyramid**") to assign the applicable Hotel Management Agreements (relating to the Renaissance Denver Stapleton, Holiday Inn Denver East – Stapleton, Hilton Houston Galleria Area, Renaissance Woodbridge, Doubletree by Hilton Salt Lake City and Crowne Plaza Danbury) to the applicable Master Lessee at the closing of the Offering, the Founders have jointly and severally agreed to guarantee the obligations of the Master Lessee under the applicable Hotel Management Agreement for so long as the applicable Master Lease Agreement remains effective. If the applicable Master Lease Agreement is terminated during the term of the applicable Hotel Management Agreement, the Founders will automatically be released from these obligations if the obligations are assumed following the termination by either the applicable Master Lessor or a replacement lessee and another credit-worthy entity or individual(s) reasonably acceptable to Pyramid.

Repair and Maintenance

The Master Lessee must, at its cost and expense, repair and maintain the Hotels (except for ordinary wear and tear, whether or not the need for such repairs occurred as a result of the Master Lessee's use), their infrastructure, plant and equipment, and FF&E in good and substantial condition and repair and in working order required for the operation of the Hotels. In accordance with the applicable Agreed CIF Plan, the Master Lessee may also request that the Master Lessor draw down from the CIF Reserve to incur such expense and/or reimburse the Master Lessee as necessary.

In addition, under the Master Lease Agreement, there are specific obligations requiring the Master Lessee to repair and maintain the Properties and to otherwise adequately manage the Properties, the cost of which shall be borne by the Master Lessee (other than in relation to major capital improvements which are borne by the Master Lessor). If the Master Lessee breaches these obligations and such breach is not cured within 30 days (unless such breach cannot be cured within 30 days and the Master Lessee proceeds promptly and with due diligence to cure the breach, in which case it has up to 180 days) the Master Lessor can terminate the Master Lease Agreement and sue the Master Lessee for damages. For the avoidance of doubt, the Master Lessor is also entitled to claim against the Master Lessee for losses suffered due to such breach by the Master Lessee within the above 30 day cure period. If the breach causes a default under the relevant Hotel Management Agreement or Franchise Agreement and such default is not cured within 30 days, then the Master Lessor can terminate the Master Lease Agreement and sue the Master Lessee for damages.

Licenses and Permits

All necessary licenses and permits must be obtained and maintained by the Master Lessee (or the Master Lessee shall cause its agents to obtain or maintain such licenses and permits) at its cost.

Insurance

The Master Lessee must, at its cost, take out and maintain public liability insurance policy, insurance relating to workers' compensation, business interruption insurance, and builder's work insurance in respect of any works undertaken or carried out by the Master Lessee. The Master Lessor (other than in respect of The Queen Mary Long Beach) will take out and maintain, at its cost, a property insurance insuring the Hotel, the infrastructure, plant and equipment and the contents of the Hotel. In respect of The Queen Mary Long Beach, the Master Lessee shall take out and maintain, at its cost, a property insurance insuring the Hotel, the infrastructure, plant and

equipment and the contents of the Hotel. Subject to the Master Lessor's prior written agreement, the Master Lessor shall take out such insurance coverage required under the hotel management agreements and the franchise agreements (other than insurance which the Master Lessee is required to take out). EH-REIT and the Master Lessee may mutually agree to an insurance buying plan which may be undertaken by the property manager to effectuate the insurance requirements set forth herein.

Assignment, Sublease and Mortgage

The Master Lessor may sell or assign its interest in a Hotel at any time subject to the terms of the Master Lease Agreement. The Master Lessor may sell or assign its interest in a Hotel free and clear of the Master Lease Agreement if the Master Lessor pays the Master Lessee a termination fee equal to the fair market value of the Master Lessee's leasehold interest in the remaining term of the Master Lease Agreement (including the option term if it has been exercised) (the "**Fair Market Value**"), in accordance with the formula set out below.

Subject to other customary conditions, the lease of the Hotel to the Master Lessee may only sublease a portion of a Hotel if such sublease is subject and subordinate to all of the terms and provisions of the Master Lease and to the rights of the Master Lessor thereunder. Each sublease shall also include clauses to the effect that:

(a) if the Master Lease Agreement is terminated before the expiration of such sublease, the sublessee thereunder will, at the Master Lessor's option, attorn to Master Lessor and waive any right the sublessee may have to terminate the sublease or to surrender possession thereunder as a result of the termination of the Master Lease Agreement; and

(b) if the sublessee receives a written notice from Master Lessor stating that an uncured event of default exists under the Master Lease Agreement, the sublessee shall thereafter be obligated to pay all rentals accruing under said sublease directly to the party giving such notice, or as such party may direct.

The lease of the Hotel to the Master Lessee shall at all times be subject and subordinate to the lien and security title of any deeds to secure debt, deeds of trust, mortgages, or other interests heretofore or hereafter granted by the Master Lessor or which otherwise encumber or affect the Hotel and to any and all advances to be made thereunder and to all renewals, modifications, consolidations, replacements, substitutions, and extensions thereof.

In the event the Master Lease Agreement is terminated (i) due to the occurrence of an "Event of Default", or (ii) in respect of The Queen Mary Long Beach, due to the termination of the Queen Mary Ground Lease caused by the Master Lessor, the Master Lessor shall pay the Master Lessee a termination fee equal to the Fair Market Value of the Master Lessee's leasehold interest in the remaining term of the Master Lease Agreement (including the option term if it has been exercised).

For this purpose, the Fair Market Value shall be computed on the following formula:

"fair market value" = present value of "A" for each year of the unexpired term and the option term using the discount rate of "B".

where:

"A" means a per annum amount being the average of the Adjusted GOP of the Hotel for the three Fiscal Years preceding the completion date of the sale or assignment of the Hotel, or if the completion of the sale or assignment of the Hotel occurs before three fiscal years of the term have elapsed, then "A" means a per annum amount being the average of the Adjusted GOP of the Hotel for the preceding Fiscal Years that have elapsed.

"Adjusted GOP" in respect of a fiscal year means the Gross Operating Profit of the Hotel for that fiscal year less the gross rent payable to lessor for that fiscal year.

"B" means 7.0%.

Termination Events

Either party may terminate the Master Lease Agreement, in the event of the following:

(i) Material Damage to the premises[1]; or

(ii) the whole or such part(s) of the premises is condemned by any public or quasi-public authority, or private corporation or individual, having the power of condemnation[2] (the "**Condemnor**") so as to make it impracticable or unreasonable in the Master Lessee's reasonable opinion to use the remaining portion as a hotel of the type and class immediately preceding such compulsory acquisition.

EH-REIT, as Master Lessor, is entitled to terminate the Master Lease Agreement in the event of the following:

(i) the Master Lessor sells or assigns its interest in the premises and pays the Master Lessee a termination fee equal to the fair market value of the Master Lessee's leasehold interest in the remaining term (as described above);

(ii) the occurrence of an "Event of Default", including, but not limited to, the non-payment of rent or other amounts, repudiation of lease by the Master Lessee, failure of the Master Lessee to comply with obligations imposed by lease and an insolvency event by the Master Lessee; or

(iii) in respect of The Queen Mary Long Beach, in the event of a termination of the Queen Mary Ground Lease.

SECURITIES PURCHASE AGREEMENT

The REIT Trustee, as trustee of EH-REIT, entered into the Securities Purchase Agreement with U.S. Hospitality Investments, LLC, MWCI, LLC and CWCI, LLC, affiliates of the Sponsor (the "**Vendors**") pursuant to which EH-REIT will acquire the indirect interests in 18 of the Hotels constituting the USHI Portfolio and the ASAP6 Portfolio, including the related furniture, fixtures and equipment and inventory.

(See "Overview of the Acquisition of the Properties" for further details).

The consideration to be received by the Vendors for the sale of their interests in the USHI Portfolio and the ASAP6 Portfolio (the "**Aggregate Purchase Price**") shall consist of (subject to final closing adjustments for prorations and other adjustments):

(i) the Consideration Stapled Securities as determined in the table below; and

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1 "**Material Damage**" means damage or destruction of the premises or any part(s) thereof where the total costs for the reinstatement exceeds fifty percent (50%) of the total reinstatement cost of the premises at or around the time of the occurrence of the damage, all as determined by a qualified and independent contractor selected in good faith by the Master Lessor.

2 "**Condemnation**" means a taking resulting from (1) the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor, and (2) a voluntary sale or transfer by Master Lessor to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(ii) cash in an amount (the "**Cash Purchase Price**") which would be used for the following purposes, *inter alia*:

(a) to reimburse the Vendors for amounts paid to satisfy the existing borrowings and deferred purchase price relating to encumbering the Properties or the direct or indirect interests that are the subject of the Securities Purchase Agreement (including, without limitation, prepayment premiums, exit fees and other fees and charges);

(b) to repay the Interest Differential Note and the Cap Ex Notes; and

(c) to fund the security deposits payable by the Master Lessees under the Master Lease Agreements.

For the avoidance of doubt, the Aggregate Purchase Price payable by EH-REIT for the acquisition of the Initial Portfolio will be in compliance with the Property Funds Appendix.

Offering Price (US$)	Aggregate Purchase Price (US$)	Consideration Stapled Securities	Stapled Securities Purchase Price (US$)	Cash Purchase Price (US$)(1)
0.780	1,069,118,937.80	142,459,998	111,118,798.44	958,000,139.36

Note:

(1) Subject to closing adjustment for working capital.

Aggregate Purchase Price = Stapled Securities Purchase Price + Cash Purchase Price.

Stapled Securities Purchase Price = Offering Price x Consideration Stapled Securities.

At the closing under the Securities Purchase Agreement which will occur on the Listing Date prior to Listing, EH-REIT will pay the Cash Purchase Price to the Vendors, which will enable them to, *inter alia* refinance, repay or defease all the borrowings and deferred purchase price (relating to a prior acquisition by an affiliate of the Sponsor of interests in the Initial Portfolio) relating, directly or indirectly, to 16 of these Hotels (which do not include the Crowne Plaza Dallas Near Galleria-Addison and the Hilton Houston Galleria Area) plus approximately US$6.9 million in deferred purchase price obligations relating to the Ramada Hialeah (which will not be included as part of the Initial Portfolio as it is currently being redeveloped). Under the Securities Purchase Agreement, the mortgage indebtedness under the ASAP Mortgage Loans relating to the Crowne Plaza Dallas Near Galleria-Addison and the Hilton Houston Galleria Area will be assumed by EH-REIT and will not be refinanced at closing. For the avoidance of doubt, the purchase price paid by EH-REIT to the ASAP6 Portfolio Vendor for the Crowne Plaza Dallas Near Galleria-Addison and the Hilton Houston Galleria Area, will take into account the amount outstanding under the ASAP Mortgage Loans as at the closing of under the Securities Purchase Agreement.

Under the Securities Purchase Agreement, it is provided, *inter alia*, that:

- in the event that any Hotel is materially destroyed, damaged or condemned EH-REIT would, at its option, have the right not to acquire the interests relating to such Hotel;

- in the event EH-REIT elects to acquire the interests relating to a Hotel that is materially damaged or condemned prior to closing it would receive an assignment of any insurance or award proceeds payable in respect of such damages or condemnation;

- the completion of the sale and purchase is subject to and conditional upon the listing of and commencement of trading of the Stapled Securities on the SGX-ST on, the Listing Date;

- all consents under the Franchise Agreements and Hotel Management Agreements relating to the sale of interests in the Initial Portfolio and the entry into the lease arrangements under the Master Lease Agreements shall have been obtained;

- all lender consents necessary for the EH-REIT or its subsidiaries to assume the mortgage indebtedness relating to the Crowne Plaza Dallas Near Galleria-Addison and the Hilton Houston Galleria Area shall have been obtained;

- subject to the payment of the required premiums on the Listing Date by EH-REIT of the new title insurance policies to be issued at Listing, the title company specified under the Securities Purchase Agreement shall have delivered to EH-REIT a customary title policy insuring the applicable owner of the Initial Portfolio's fee or leasehold title to the applicable Hotel subject only to permitted encumbrances[1] specified in the Securities Purchase Agreement, and that the applicable property owner, in the case of the fee properties which are freehold, will have good and marketable title, subject to permitted encumbrances, to each of such properties as of the Listing Date and that the applicable leasehold owner, in the case of the leasehold property, will have a leasehold interest (recorded on title), subject to permitted encumbrances, in the applicable property as of the Listing Date;

- all filings and other requirements, if any, imposed by applicable laws with respect to the liquor license issued (or required to be issued) in connection with food and beverage operations at the Hotels relating to the Initial Portfolio shall have been made;

- with respect to The Queen Mary Long Beach, a consent of the City of Long Beach (as ground lessor) under the Queen Mary Ground Lease shall have been obtained and a written estoppel certificate substantially in the form required to be delivered under Queen Mary Ground Lease shall be delivered to EH-REIT by the landlord thereunder;

- certain internal restructuring steps shall have been completed to distribute from USHIL Holdco to USHI Portfolio Vendor all the equity interests in three intermediate holding entities that are owned by USHIL Holdco and which currently indirectly own the USHI Portfolio and in the entity that owns the Ramada Hialeah (which will not be included as part of the Initial Portfolio as it is currently being redeveloped), such that these three intermediate holding entities and USHIL Holdco will not be acquired by EH-REIT pursuant to the Securities Purchase Agreement and will instead remain under the indirect ownership of the Sponsor; and

- the CPDG Reserve shall have been funded.

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1 "**Permitted encumbrances**" include but are not limited to the following: (i) zoning laws generally applicable to the districts which a property is located, (ii) easements, encroachments or rights of access that do not materially interfere with the use of a property, (ii) any exceptions contained in the title insurance policy that do not materially detract from the value or the marketability of the Properties or the ability of the Property to be financed.

In addition, certain limited representations and warranties are made by the Vendors relating to the Initial Portfolio and the entities to be acquired under such agreement. Claims for breach of warranties are subject to an aggregate maximum limit, and must be made within 12 months (with respect to certain fundamental representations[1] and warranties) and nine months (with respect to the remaining representations and warranties) after the completion of the sale and purchase. The maximum aggregate liability of the Vendors in respect of the claims shall not exceed US$11.0 million, an amount which was negotiated and agreed upon with the Vendors on an arms' length basis. If, prior to completion, it is found that there is a material breach of a representation or warranty by the Vendors (that is not capable of being updated in accordance with the terms of the Securities Purchase Agreement), EH-REIT shall be entitled not to proceed with the purchase and sale.

In connection with the acquisition of the Initial Portfolio and to facilitate the assumption of the ASAP Mortgage Loans by EH-REIT as the ASAP Mortgage Loans cannot be prepaid when the Initial Portfolio is acquired, the Vendors have agreed to effectively fund the US$4.8 million amount of the Interest Differential Note with a portion of the purchase price they would otherwise be entitled to receive. This amount represents the interest expense differential between the interest rate payable under the ASAP Mortgage Loans and market interest rates achieved under the New Term Loan Facilities up to the respective maturity of each of the ASAP Mortgage Loans, and the Interest Differential Note will be fully satisfied at closing with a portion of the purchase consideration the Vendors would otherwise have been entitled to receive.

In addition, in connection with the acquisition of the Initial Portfolio the Vendors have agreed to effectively fund the US$3.2 million amount of the Cap Ex Notes with a portion of the purchase price they would otherwise be entitled to receive. This amount represents the reimbursement of EH-REIT for the anticipated cost of certain capital expenditures relating to the Hotels that will not be completed at the time of the closing, and the Cap Ex Notes will be fully satisfied at closing with a portion of the purchase consideration the Vendors would otherwise have been entitled to receive.

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1 The fundamental representations relate to organisation and authority, due authorisation, the sale of interests, the absence of bankruptcy or dissolution events and the absence of material violations, conflicts, breaches or defaults. Consistent with customary real estate transactions in the United States, these fundamental representations would survive longer for a longer period of time due to the fundamentality of the representations.

OVERVIEW OF RELEVANT LAWS AND REGULATIONS IN THE UNITED STATES

RELEVANT LAWS AND REGULATIONS IN THE UNITED STATES

General

The laws of the United States have their source in both government legislation and regulation (at the federal, state and local government levels) and the federal and state courts. Federal law includes the Constitution of the United States, federal statutes and rules and regulations adopted by federal agencies. State law includes individual state constitutions, state statutes and rules and regulations adopted by state agencies. Local law includes ordinances and rules and regulations adopted by counties, municipalities and their agencies. Common law is developed by case law decisions in the federal and state courts.

Corporate Law

The principal laws governing the operation and conduct of corporations organised under the laws of a state of the United States are set out in the law of the state under whose statutes a corporation is formed. US Corp and its direct United States-incorporated subsidiaries have been organised under the corporation or limited liability company law of the State of Delaware or the State of California.

Regulation of Foreign Investment

While the United States has a general policy of openness to foreign investment, the Committee on Foreign Investments in the United States ("**CFIUS**") reviews, and may suspend, modify or prohibit, foreign acquisitions of businesses which potentially may threaten or impair national security or critical infrastructure (particularly in sectors including transportation, communications, banking and energy). CFIUS requires a mandatory filing and review only where the acquisition implicates certain critical technologies in certain specifically delineated industries. However, all US business enterprises implicating national security or critical infrastructure in which a foreign person (in the broad legal sense, including a company) acquires an interest, directly or indirectly, are potentially subject to review under CFIUS, and may be voluntarily notified to CFIUS.

Ownership and Leasehold Interests in US Real Property

The highest form of private ownership interest in real property in the US is the freehold estate known as fee simple absolute. Generally, ownership in fee simple absolute is for an unlimited duration, but ownership is subject to applicable laws (including zoning laws) and agreements and real property owned in fee simple absolute may be subject to various encumbrances (including, without limitation, easements, taxes and restrictive covenants).

Another form of real property ownership in the US is the non-freehold possessory estate known as a leasehold estate. Leasehold estates are typically documented by a lease agreement. Subject to applicable law, any encumbrances and the terms of any applicable lease agreement, the lessee possessing a leasehold estate has the right to occupy the subject real property to the exclusion of others for a finite period.

Deed Recordation and Title Insurance

In each US state, typically at the county level, there is a governmental real property registry of official records at which agreements and matters which affect title to real property may be recorded. Among other things, the act of recording an agreement in the applicable official records imparts constructive notice of such agreement to third parties.

Fee simple absolute title to real property may be transferred by delivery of a deed (the form of which may vary by state). Recording a deed in the applicable official records may not be necessary to accomplish a transfer of title between the parties to a deed. However, the failure to record a deed in the applicable official records may result, in some circumstances, in others obtaining or having the opportunity to obtain superior title to the subject real estate.

The recording of a deed in a real property registry of official records is largely an administrative process. The relevant recorder in the real property registry of official records generally does not have discretion to refuse to record a deed, provided that such deed is in a legally prescribed recordable form, that such deed has been properly signed and notarised and that all taxes and other recording fees are paid. The act of recording a document in the official records does not in and of itself validate the legitimacy or effectiveness of the document. It is customary for purchasers of real property to rely on third party title insurance companies to review the records in real property registries of official records for matters affecting title to real property and to insure the status of such title subject to various exceptions, including, without limitation, those matters noted by the title insurance company as a result of such review. Such exceptions may take various forms, including, without limitation, liens, easements, and other encumbrances. The amount of title insurance obtained by a title policyholder may vary, but in the case of title insurance obtained by a purchaser of real property, the amount of title insurance obtained may be equal to the purchase price paid for the real property. A title insurance company typically charges a fee or premium for issuing a title policy, which fee or premium is typically a one-time fee, though additional premiums or fees may be charged under certain circumstances. Subject to the terms of the policy and applicable law, a title policy typically remains in effect so long as the insured maintains its interest in the subject property. In certain cases, a title policy is issued to a purchaser upon the recordation in the official records of the deed conveying title to the purchaser. In other cases, a title policy may be issued prior to such recordation, and in such cases a title company may contractually agree to accept certain risks in connection with the potential appearance in the official records of intervening matters between the time that the policy was issued and the time the deed is recorded. Subject to applicable requirements, a lease, or a short form or memorandum of a lease, may be recorded in the applicable official records. Title insurance companies typically will also provide a leasehold title insurance policy, insuring the status of title (subject to the same exceptions discussed above), to a lessee under a recorded property lease.

Agreements Affecting Real Property

In the US, various types of agreements affecting real property must be in writing and must be signed by the party to be bound in order to be enforceable against such party. Many real estate transactions contain various covenants, conditions, representations and warranties. In addition, applicable law may impose certain covenants, conditions, representations, warranties or other requirements on the parties to a real estate transaction.

Leases

Commercial real estate leases in the US may include leases of space in improvements and ground leases. In a typical lease of space in an improvement, a lessor leases space (such as office, industrial or retail space) in a building to a tenant. In a typical ground lease, the lessor leases improved or unimproved real property to a lessee and, if the lessee constructs improvements on the real property, the lessee retains possession of those improvements during the term of the

ground lease. Both ground leases and building space leases often provide that the lessee's improvements to the real property become the lessor's property at the end of the term of the lease, subject to certain lessee removal rights and other terms of the lease. Lease terms are subject to market standards and practices, though applicable law may impose certain covenants, conditions, representations, warranties or other requirements on the parties to a lease.

Mortgage Loans

In the US, loans to fund the purchase of commercial real property or to construct improvements on, or operate at, commercial real property are typically secured by a mortgage or deed of trust (depending on the state) on such real property.

In the US, commercial mortgage loans may be recourse or non-recourse. Non-recourse means that in the event of a default under the loan, the lender may look for repayment from the proceeds of a sale of the real property but may not seek repayment from the borrower for any amount in excess of such proceeds. However, certain commercial mortgage loans which are otherwise non-recourse may contain certain exceptions (called "**non-recourse carveouts**") which permit recourse to certain parties under certain circumstances, subject to applicable law. Among other things, such exceptions may relate to misrepresentations, deception, fraud, bankruptcy filings or environmental matters.

Upon a default under a mortgage loan, applicable law and the provisions of the applicable loan documents will typically dictate the lender's rights, which may include the right to foreclose and apply the proceeds of such sale to the amount owed. Depending on the state, judicial or non-judicial foreclosure processes may be available. Applicable law may limit the ability of a lender to obtain a judgement or to seek payment against a borrower under certain circumstances. Even after a default has occurred, under certain circumstances, applicable law may also permit a borrower certain rights to redeem its interest in the real property or to reinstate the applicable loan.

Transfer Taxes

Some states (as well as some counties and municipalities) impose a "transfer tax" on the conveyance of real property. In certain cases, a transfer tax is imposed on the recording of a deed, but in some instances it is imposed on a lease, a mortgage or a change in control in a real property owner. Responsibility for the payment of a transfer tax is sometimes allocated between buyer and seller by law but often by custom or the agreement of the parties. There is no federal transfer tax.

Land Use (Zoning) and Building Controls

In the US, much land use regulation occurs at the state and local level. Many municipalities have zoning ordinances which divide municipalities into a series of districts and specify the uses that are permitted and prohibited in each district. Zoning ordinances may impose various dimensional and density requirements on buildings and other real estate improvements (such as setback, lot size, floor area ratio and lot coverage requirements or provisions) as well as standards for the number of parking stalls and design of parking stalls. Many zoning ordinances also regulate other aspects of real property, such as loading spaces, landscaping, signs, "green building" requirements and the protection of environmentally sensitive areas such as wetlands, flood plains and aquifers.

In certain cases, and especially for large or complex projects, a real estate development will need to obtain a zoning permit or other approval from the municipality or other governmental authority. Such permits may be subject to a variety of conditions, which may include, without limitation, conditions to reduce actual or perceived impacts from the project on the community. Such conditions may include, without limitation, requirements to make improvements to transportation

infrastructure or to make monetary payments to the municipality or applicable governmental authority. The approval process may involve public hearings and other opportunities for third parties to comment on the project and to appeal the final permit decision.

In addition to zoning ordinances, some states have regional or state-wide land use approval requirements. Other state and federal laws (and other municipal, governmental or quasi-governmental requirements) can affect land development by regulating activities which involve wetlands, public rights in waterways, historic and other culturally significant properties, parkland, endangered species and their habitats, access to highways, and other matters. As a general matter, construction and the ongoing operation and maintenance of a building must comply with state or local building codes and other legal requirements. Building codes may address a variety of structural and life-safety matters including without limitation egress, fire protection, construction materials, elevators, energy, and handicap access. A building permit may be required by the applicable authority before construction is authorised to begin. In many cases, occupancy of a building may not be permitted before the applicable governmental authority has issued a certificate of occupancy. Building code violations, especially those relating to life-safety matters, may lead to civil and, in some cases, criminal sanctions.

Contaminated Land and Environmental Regulation

Most environmental regulation in the US occurs at the federal and state levels, although some municipalities have their own requirements. Under various federal, state and local laws and regulations, owners, as well as operators of real estate, may be required to investigate and remediate or monitor hazardous substance contamination present at or migrating from properties they currently or formerly own, lease or operate, notwithstanding that the contamination was caused by a prior owner, occupant or other third-party. They also may become liable for the presence of hazardous substances at third-party owned off-site disposal facilities at which they disposed or arranged for the disposal of hazardous waste, and could be subject to claims from governmental agencies and other third parties for costs and damages, including natural resource damages, relating to the investigation, remediation and monitoring of hazardous substances on or from their properties or such third party-owned off-site disposal facilities. Although the principal federal statute addressing liability relating to contaminated property exempts from liability certain "bona-fide prospective purchasers" of contaminated real estate who conduct pre-acquisition assessments, take steps to control known contamination, and meet certain other requirements, other federal environmental statutes and many state and local laws do not contain similar exemptions. In addition, owners and operators may be held liable under common law for property damage or personal injuries that result from the release of, or exposure to, hazardous substances on or migrating from their properties, including for personal injury caused by microbial matter (such as mold) or other indoor air contaminants (such as formaldehyde or other volatile organic compounds).

Federal, state and local laws and regulations govern many activities which can affect the environment, human health, and worker health and safety, such as the release, emission or discharge of pollutants to air, surface water, groundwater, soils, sediments and other environmental media, and the use, handling, transportation, treatment, storage and disposal of non-hazardous and hazardous substances and waste. Environmental laws and regulations also regulate certain hazardous building materials, such as asbestos and lead-based paint and generally impose obligations on the management of such materials, including notifications and training relating to such materials, and the handling and disposal of such materials during renovation and demolition projects. Many federal, state and local environmental laws and regulations require permits or other approvals, and failure to comply with these laws and regulations, or the terms and conditions of such permits and approvals can result in administrative, civil and criminal enforcement measures, including civil and criminal fines and penalties and the imposition of corrective action obligations.

Condemnation and Freezing of Assets

In the US, federal, state, local governments and other public bodies, as well as certain quasi-public entities (such as railroads and public utility corporations), may acquire real estate in connection with the exercise of the power of eminent domain. The exercise of eminent domain may involve a formal condemnation proceeding, subject to and in accordance with legal requirements. In certain circumstances, the federal government has broad powers, which permit the seizure or freezing of foreign-owned assets. Such circumstances may include, without limitation, war, national emergencies, or other circumstances permitted under applicable law.

Restrictions on Land Ownership

The US federal government and certain states regulate certain real property interests by foreign persons or entities controlled by them.

TAXATION

The following summary of certain Singapore, Cayman Islands and United States tax consequences of the purchase, ownership and disposition of the Stapled Securities is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect).

The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Stapled Securities and does not purport to apply to all categories of investors, some of whom may be subject to special rules, either in Singapore or in the tax jurisdiction where they are resident.

Investors should consult their own tax advisers concerning the application of Singapore tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Stapled Securities arising under the laws of any other taxing jurisdiction.

SINGAPORE TAXATION

INCOME TAX

Tax Ruling

An application for the Tax Ruling was made based on the structure diagram of EHT as illustrated in "Structure of EHT" and, inter alia, the following representations and information:

(a) The initial portfolio of EHT will, on the IPO date, comprise 18 hotel properties located in the United States.

(b) Each of SG Corp and SG Lending Sub will be a wholly-owned subsidiary of EH-REIT.

(c) US Corp, a wholly-owned subsidiary of SG Corp, may make the following distributions to SG Corp:

  (i) Ordinary income dividends paid out of US Corp's current or accumulated earnings and profits;

  (ii) Return of capital from SG Corp's tax cost basis in US Corp's stock; and

  (iii) Capital gain distributions where the distribution exceeds SG Corp's tax cost basis in US Corp's stock.

(d) In the event of a future disposal of any of the Properties, distributions from US Corp to SG Corp should be made in the same manner as described above.

(e) SG Lending Sub will wholly own **Cayman Corp 1**.

(f) Cayman Corp 1 will extend an interest-bearing loan to US Corp which indirectly holds the Properties, from which Cayman Corp 1 is expected to derive interest income.

(g) The terms of the loan will be at arm's length and based on transfer pricing studies performed.

(h) Cayman Corp 1 is expected to make distributions to SG Lending Sub.

(i) SG Corp and SG Lending Sub are each expected to pay dividends to EH-REIT.

Pursuant to the Tax Ruling, the IRAS confirmed the following:

(a) The foreign-sourced dividends receivable by SG Corp from US Corp attributable to ordinary income dividends and capital gain distributions will not be subject to tax under Section 13(8) of the Income Tax Act, subject to meeting the conditions in Section 13(9) of the Income Tax Act;

(b) The distributions receivable by SG Corp from US Corp attributable to return of capital will not be subject to tax;

(c) The payment of one-tier exempt dividends by SG Lending Sub out of its unremitted foreign-sourced distribution income from Cayman Corp 1 kept in its offshore bank account to SG REIT's bank account in Singapore will not result in SG Lending Sub being deemed to have received the foreign-sourced income in Singapore from outside Singapore for the purposes of Section 10(1) and 10(25) of the Income Tax Act, subject to certain conditions;

(d) The tax-exempt (one-tier) dividends receivable by EH-REIT from SG Corp and SG Lending Sub will not be subject to tax;

(e) The distributions receivable by the Stapled Securityholders from EH-REIT, which is payable by EH-REIT out of tax-exempt (one-tier) dividends from SG Corp and SG Lending Sub, will not be subject to tax; and

(f) To the extent that the structure of EH-REIT, the activities of the relevant entities held directly or indirectly by EH-REIT, the transaction and distribution flows remain the same as those represented in the Tax Ruling application, the Tax Ruling will remain valid in relation to future acquisitions of properties post-IPO and for the duration or term that EHT is listed on the SGX-ST.

Terms and conditions of the Tax Ruling

The Tax Ruling was made based on facts presented to the IRAS and IRAS' current interpretation and application of the existing tax law and the Tax Ruling will cease to apply if:

(a) the arrangement is materially different from the arrangement identified in the Tax Ruling application;

(b) there was a material omission or misrepresentation in, or in connection with, the application for the Tax Ruling;

(c) an assumption about a future event or another matter that is material to the Tax Ruling, stated either in the Tax Ruling or in the application for the Tax Ruling subsequently proves to be incorrect; or

(d) the IRAS stipulates a condition in the Tax Ruling that is not satisfied.

Where a provision of the Income Tax Act is repealed or amended, the Tax Ruling shall automatically not apply from the date of the repeal or amendment to the extent that the repeal or the amendment changes the way the provision applies in the Tax Ruling. Further, the IRAS may at any time withdraw the Tax Ruling from such date specified, by notifying EH-REIT in writing of the withdrawal and the reasons therefor.

General Principles of Taxation of a Trust

The income of a trust derived from or accrued in Singapore is chargeable to Singapore income tax. In addition, income earned outside Singapore and received or deemed received in Singapore is also chargeable to Singapore income tax unless otherwise exempted. There is no capital gains tax in Singapore. However, gains from the sale of investments are chargeable to tax if such gains are derived from a trade or business of dealing in investments. Singapore income tax is imposed on all income chargeable to tax after deduction of the allowable expenses incurred and capital allowances, if any. Such income of the trust is assessed to tax in the name of the trustee at the prevailing corporate tax rate.

However, where a trust derives tax exempt income, the beneficiary of the trust is also exempt from tax on the tax exempt income of the trust to which he is beneficially entitled.

Taxation of EH-REIT

EH-REIT is expected to derive dividends from SG Corp and SG Lending Sub, and may derive gains from the sale of the shares in SG Corp and/or the shares of SG Lending Sub.

Taxable Income of EH-REIT

Except as detailed in the paragraphs below, the REIT Trustee will be subject to Singapore income tax at the prevailing corporate tax rate on taxable income (i.e. income ascertained to be chargeable to tax in accordance with the provisions of the Income Tax Act, after deduction of allowable expenses and applicable tax allowances) of EH-REIT. The current Singapore corporate tax rate is 17.0%.

Tax Exempt Income of EH-REIT

Pursuant to the Tax Ruling, the IRAS has confirmed that tax-exempt dividends receivable by EH-REIT from SG Corp and SG Lending Sub will not be subject to tax, provided SG Corp and SG Lending Sub are each tax resident in Singapore respectively. For the purposes of the Income Tax Act, a company is considered to be tax resident of Singapore if the control and management of its business is exercised in Singapore.

Return of Capital to EH-REIT

Any return of capital received by EH-REIT from SG Corp and/or SG Lending Sub is capital in nature and hence, is not taxable in the hands of the REIT Trustee.

Disposal Gains of EH-REIT

Singapore does not impose tax on capital gains. In the event that the REIT Trustee disposes of the shares SG Corp and SG Lending Sub, gains arising from the disposal will not be subject to Singapore income tax unless the gains are considered income of a trade or business. If the gains are considered to be trading gains and derived in or received or deemed received in Singapore, such gains will be assessed to tax, currently at 17.0%.

Taxation of SG Corp and SG Lending Sub

Taxable Income of SG Corp and SG Lending Sub

Generally, SG Corp and SG Lending Sub will be subject to Singapore income tax at the prevailing corporate tax rate of 17.0% on its taxable income (i.e. income ascertained to be chargeable to tax in accordance with the provisions of the Income Tax Act, after deduction of allowable expenses and applicable tax allowances).

Distributions received by SG Corp and SG Lending Sub

Pursuant to the Tax Ruling, the IRAS has confirmed that:

(a) The foreign-sourced dividends receivable by SG Corp from US Corp attributable to ordinary income dividends and capital gain distributions will not be subject to tax under Section 13(8) of the Income Tax Act, subject to meeting the conditions in Section 13(9) of the Income Tax Act;

(b) The distributions receivable by SG Corp from US Corp attributable to return of capital will not be subject to tax;

(c) The payment of one-tier exempt dividends by SG Lending Sub out of its unremitted foreign-sourced distribution income from Cayman Corp 1 kept in its offshore bank account to SG REIT's bank account in Singapore will not result in SG Lending Sub being deemed to have received the foreign-sourced income in Singapore from outside Singapore for the purposes of Section 10(1) and 10(25) of the Income Tax Act, and hence not taxable to SG Lending Sub, subject to certain conditions.

Disposal Gains of SG Corp and SG Lending Sub

Singapore does not impose tax on capital gains. In the event that the SG Corp or SG Lending Sub dispose their respective interests in US Corp and Cayman Corp 1, as the case may be, gains arising from the disposal will not be subject to Singapore income tax unless the gains are considered income of a trade or business. If the gains are considered to be trading gains and derived in or received or deemed received in Singapore, such gains will be assessed to tax, currently at 17.0%.

Taxation of EH-BT

EH-BT which is registered as a business trust in Singapore under the Business Trusts Act will be treated like a company under the corporate tax system for Singapore income tax purposes. Consequently, EH-BT will be assessed to Singapore income tax on its Taxable Income, if any, at the prevailing corporate tax rate in accordance with the Income Tax Act.

Taxation of Stapled Securityholders

EH-REIT Distributions out of Taxable Income

Stapled Securityholders should not be subject to Singapore income tax on distributions made out of EH-REIT's income that has been taxed at the REIT Trustee level. Accordingly, distributions made by EH-REIT out of taxable income should not be subject to any tax deduction at source. No tax credit will be given to any Stapled Securityholder on the tax payable by the REIT Trustee on such taxable income.

EH-REIT Distributions out of Tax Exempt Income

Pursuant to the Tax Ruling, Stapled Securityholders will not be subject to Singapore income tax on distributions made out of EH-REIT's tax exempt income. No tax will be deducted at source on such distributions.

EH-REIT Distributions out of Return of Capital

Stapled Securityholders will not be subject to Singapore income tax on distributions made by EH-REIT out of its capital receipts, such as return of capital from SG Corp or SG Lending Sub. No tax will be deducted at source on such distributions.

EH-BT Distributions

Distributions made by EH-BT to the Stapled Securityholders should be exempt from Singapore income tax in the hands of the Stapled Securityholders, regardless of their respective status.

Disposal of Stapled Securities

Singapore does not impose tax on capital gains. Any gains on disposal of the Stapled Securities are not liable to tax provided the Stapled Securities are not held as trading assets. Where the Stapled Securities are held as trading assets of a trade or business carried on in Singapore, any gains on disposal of the Stapled Securities are liable to Singapore income tax at the applicable tax rate.

GST

GST Registration of EH-REIT

EH-REIT would not be eligible for GST registration as the dividends received from its investment in SG Corp and SG Lending Sub do not constitute taxable supplies for GST purposes.

Recovery of GST incurred by EH-REIT

While it is not registered for GST or not eligible for GST registration, subject to conditions, EH-REIT would be allowed to claim the GST incurred on its business expenses (such as offering-related and routine operating expenses) except for certain disallowed expenses, by way of GST remission granted by the Minister for Finance.

Pursuant to the GST remission, EH-REIT (as a Singapore listed REIT) is allowed to claim:

- GST on its allowable business expenses (such as offering-related and routine operating expenses), notwithstanding that it holds underlying non-residential properties located outside Singapore indirectly through its SPVs; and

- GST incurred on the setting up of the SPVs or GST incurred by its SPVs on the acquisition and holding of the non-residential properties located outside Singapore.

These GST claims are subject to conditions governing the GST remission and the general input tax claims prescribed under the GST legislation. These conditions include the following:

- EH-REIT is listed or to be listed on the SGX-ST;

- EH-REIT has veto rights over key operational issues of its SPVs holding the underlying non-residential properties;

- the underlying non-residential properties of EH-REIT make taxable supplies or out-of-scope supplies which would have been taxable supplies if made in Singapore (e.g. lease of non-residential properties located outside Singapore); and

- EH-REIT may need to apportion its input tax claims if EH-REIT/its SPVs makes non-regulation 33 exempt supplies ("NR 33 EX SS") or out-of-scope NR 33 EX SS.

The aforementioned GST remission is applicable for expenses incurred up to and including 31 December 2025. If this remission is not subsequently extended, EH-REIT will not be able to claim GST incurred on its business expenses and those that are incurred by its SPVs if they continue not to be eligible for GST registration after 31 December 2025.

GST Registration of EH-BT

EH-BT would not be eligible for GST registration as it is currently dormant and does not make any taxable supplies. Hence, the GST incurred on EH-BT's business expenses (such as offering-related and routine operating expenses) is not claimable from the IRAS. The non-recoverable GST will thus be part of EH-BT's business cost.

However, in the event that it subsequently undertakes business activities that derives taxable supplies, it would be eligible for GST registration, and hence, is able to claim GST incurred on its business expenses subject to the normal input tax claiming conditions.

GST Registration of SG Corp and SG Lending Sub

SG Corp and SG Lending Sub would not be eligible for GST registration as the dividends or distributions received from their investments in US Corp and Cayman Corp 1 respectively do not constitute taxable supplies for GST purposes.

Recovery of GST incurred by SG Corp and SG Lending Sub

While SG Corp and SG Lending Sub are not eligible for GST registration, subject to conditions, SG Corp and SG Lending Sub would be allowed to claim the GST on expenses incurred on their indirect acquisitions and holding of the non-residential properties by way of GST remission valid till 31 December 2025.

Issue and Transfer of Stapled Securities

The issue or transfer of ownership of a unit under any unit trust in Singapore is exempt from GST. Hence, Stapled Securityholders would not incur any GST on the subscription of the Stapled Securities.

The subsequent disposal or transfer of the Stapled Securities by Stapled Securityholders belonging in Singapore, through the SGX-ST, to the extent that the identity of the buyer is not known or to another person belonging in Singapore, is regarded as an exempt supply and is not subject to GST. Similar disposal or transfer of the Stapled Securities to another person belonging outside Singapore would constitute zero-rated supplies for Singapore GST purposes.

The subsequent disposal or transfer of the Stapled Securities by Stapled Securityholders belonging outside Singapore is outside the Singapore GST regime.

Recovery of GST incurred by the Stapled Securityholders

Generally, services such as legal fee, brokerage, handling and clearing charges rendered by a GST-registered person to Stapled Securityholders belonging in Singapore in connection with their purchase and sale of the Stapled Securities would be subject to GST at the prevailing standard-rate of 7% (note that the rate will be increased to 9% between 2021 to 2025). Similar services rendered to Stapled Securityholders belonging outside Singapore could be zero-rated when certain conditions are met.

For Stapled Securityholders belonging in Singapore who are registered for GST, any GST on expenses incurred in connection with the subscription/acquisition or disposal of the Stapled Securities is generally not recoverable as input tax credit from the IRAS unless certain conditions are satisfied (e.g. the subsequent disposal of the Stapled Securities is made to an investor belonging outside Singapore).

Investors should seek the advice of their own tax advisers on the recoverability of GST incurred on expenses in connection with the purchase and disposition of the Stapled Securities.

Stamp Duty

Stamp duty should not be imposed on instruments of transfers relating to the Stapled Securities.

CAYMAN ISLANDS TAXATION

As the Cayman Islands does not impose any direct taxes (including income tax and withholding tax), Cayman Corp 1 (which receives interest from US Corp), Cayman Corp 2 (which receives distributions from the Cayman LLCs) and the Cayman LLCs (which receive distributions from the ASAP6 Holdcos) will not be subject to tax in the Cayman Islands. In addition, withholding tax will not be applicable on distributions paid by Cayman Corp 1 to SG Lending Sub.

UNITED STATES TAXATION

The following is a description of certain U.S. federal income tax consequences relating to EH-REIT, SG Corp, SG Lending Sub, US Corp, Cayman Corp 1, and Cayman Corp 2, and relating to the ownership and disposition of the Stapled Securities to Non-U.S. Stapled Securityholders (as defined below).

*The discussion below is based on the applicable provisions of the Internal Revenue Code of 1986, as amended ("**IRC**"), the Treasury Regulations issued under the foregoing, income tax treaties, and judicial and administrative interpretations thereof. The Tax Cuts and Jobs Act was signed into law on December 22, 2017. The Tax Cuts and Jobs Act make significant changes to the U.S. federal income tax rules for taxation of individuals and corporations.*

The above authorities are subject to change, retroactively and/or prospectively, and any such changes could affect the validity of the conclusions reached. Prospective purchasers are urged to consult with their tax advisors with respect to the above authorities and any other regulatory or administrative developments and proposals and their potential effect on investment in the Stapled Securities.

Taxation of EH-REIT

Classification of EH-REIT as a Partnership for U.S. Federal Income Tax Purposes

Although EH-REIT is organised as a trust in Singapore, it has elected to be treated as a partnership for U.S. federal income tax purposes. While publicly traded partnerships are generally taxable as corporations under applicable U.S. tax rules, an exception exists with respect to a publicly traded partnership that would not be a regulated investment company were it organised as a U.S. corporation and of which 90% or more of the gross income for every taxable year consists of "qualifying income". Qualifying income includes, among other things, income and gains derived from (i) interest (other than that from a financial business), (ii) dividends, (iii) the sale of real property and (iv) the sale or other disposition of capital assets that otherwise produce qualifying income. EH-REIT expects it will meet both of these requirements and will, therefore, be taxable as a partnership. EH-REIT does not expect that any other rules that result in EH-REIT being subject to corporate-level tax, including the so-called U.S. inversion rules of IRC section 7874, should apply. If the IRS were to challenge EHT's partnership status on this basis and, contrary to expectations, were to succeed in such a challenge, EHT could be treated as a corporation for U.S. federal corporate income tax and Stapled Securityholders could be subject to a 30% withholding tax on distributions. Based on advice from the Independent Tax Adviser, the Managers understand that the risk of this outcome is low. See more generally the tax risk factor regarding EHT being treated as engaging in a U.S. trade or business.

EH-REIT as a Withholding Foreign Partnership

EH-REIT intends to enter into an agreement with the IRS to be a withholding foreign partnership ("**WFP**"). Under the agreement, EH-REIT would assume primary withholding responsibility with respect to distributions it makes to Stapled Securityholders. As a result, documentation collected by EH-REIT from Stapled Securityholders is retained and does not get transferred by EH-REIT to other funds, portfolio companies, upstream withholding agents, or the IRS, and U.S. tax reporting and compliance will thus be simplified.

As a WFP, EH-REIT also must agree to assume certain obligations, including applying the appropriate U.S. withholding tax rates on amounts distributed to all partners. US Corp will generally pay all interest to Cayman Corp 1 gross (that is, without reduction for any U.S. withholding taxes). Similarly, SG Corp and the SG Lending Sub will generally pay all dividends to EH-REIT gross. EH-REIT will then be required to apply the appropriate amount of withholding tax based on the type of income received and the respective tax classifications of the Stapled Securityholders. EH-REIT may be liable for any under-withholding as well as associated penalties and/or interest.

FATCA

Non-United States financial institutions are subject to specific due diligence and reporting requirements for purposes of identifying accounts and investments held directly or indirectly by United States persons. The failure of a Non-United States financial institution to comply with these additional information reporting, certification and other requirements could result in a 30% withholding tax on applicable payments of United States sourced income. Pursuant to the Singapore IGA Legislation (as defined herein), CDP and CDP depository agents may be required to withhold 30% of the gross amount of "withholdable payments" (generally allocable shares of income as defined in the IRC) paid or deemed paid to a foreign financial institution ("FFI") or to a nonfinancial foreign entity, unless (i) the FFI undertakes specified diligence and reporting obligations regarding ownership of its accounts by United States persons or (ii) the nonfinancial foreign entity either certifies it does not have any substantial U.S. owners or furnishes identifying

information regarding each substantial U.S. owner, respectively. FFIs located in jurisdictions that have an intergovernmental agreement with the United States with respect to these requirements may be subject to different rules.

The foregoing withholding regime is now in effect for payments from sources within the United States but, according to recent administrative guidance, would apply to "foreign passthru payments" two years after the date of publication in the Federal Register of final regulations defining the term "foreign passthru payment". Stapled Securityholders should consult with their tax adviser regarding their compliance.

Partnership Information Returns and Audit Procedures

EH-REIT intends to make available to each Stapled Securityholders that is a United States person, after the close of each taxable year, required tax information, which sets forth each Unit's share EH-REIT's income, gain, loss and deduction for the preceding taxable year. The IRS may audit the federal income tax information returns filed by EH-REIT. Adjustments resulting from any such audit may require each partner to adjust a prior year's tax liability.

EH-REIT intends to elect to adopt newly issued audit procedures effective as of its date of formation. Under these procedures, if the IRS makes audit adjustments to EH-REIT's income tax information returns, it may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustment directly from EH-REIT. Generally, instead of paying any taxes itself, EH-REIT may elect to have any adjustments to its taxable income passed through to those persons who held Stapled Securities during the tax year under audit in proportion to their Stapled Securityholdings in EH-REIT during the tax year under audit, but there can be no assurance that such election will be effective in all circumstances. If EH-REIT does not or is unable to make this election, then the Stapled Securityholders at the time of the audit may bear some or all of the tax liability resulting from such audit adjustment, even if such Stapled Securityholders did not own Stapled Securities during the tax year under audit. If, as a result of any such audit adjustments, EH-REIT is required to make payments of taxes, penalties and interest, its cash available for distribution to Stapled Securityholders would be reduced.

Taxation of US Corp

Classification of US Corp as a Corporation for U.S. Federal Income Tax Purposes

US Corp is classified as a corporation for U.S. federal income tax purposes. US Corp is organised under the laws of Delaware and, therefore, is treated as a domestic corporation.

Income Subject to U.S. Taxation

A domestic corporation is generally subject to U.S. corporate-level tax (the maximum federal rate is 21%) on its worldwide taxable income (i.e., gross income less allowable deductions). The income generated by the USHI Portfolio and the ASAP6 Portfolio is includable by US Corp in determining its taxable income. In addition, US Corp may be subject to state and local income or other taxation in various jurisdictions, and such treatment may differ from the U.S. federal income tax treatment described herein.

Expenses Deductible in Computing U.S. Taxable Income

US Corp may deduct ordinary and necessary business expenses paid or incurred during the taxable year in computing its U.S. taxable income. Such expenses include state and local taxes, depreciation expense with respect to the properties and interest expense subject to certain limitations.

A number of limitations may apply on the amount of deductible interest expense. For example, the loan must be respected as debt for U.S. tax purposes and interest on a loan owed to a related party is only deductible when paid. In addition, because Cayman Corp 1 and US Corp are under common control, the IRS could seek to reallocate gross income and deductions between these related parties if it determines that the rate of interest charged is in excess of an arm's length rate. In order to avoid such reallocation, US Corp intends to comply with transfer pricing practice relevant to determining the proper rate of interest payable to Cayman Corp 1. In addition, US Corp intends to comply with available guidance regarding treatment of the loan from Cayman Corp 1 as *bona fide* debt.

A number of other rules also apply that may deny or limit the amount of interest deduction of US Corp. In particular, section 267A, enacted by the *Tax Cuts and Jobs Act,* denies the payor of interest a deduction for any "disqualified related party amount" paid or accrued pursuant to a "hybrid transaction" or by, or to, a "hybrid entity". On December 20th 2018, the IRS released the 267A Proposed Regulations. Under these proposed regulations US Corp is not expected to be disallowed a deduction for the interest payments made to Cayman Corp 1. It is noted, however, that the 267A Proposed Regulations have not been finalised and, although not expected, it is possible that subsequent interpretations of these regulations or the finalised 267A regulations will alter this conclusion. The loss of interest deductions for US Corp would severely impact EH-REIT's financial condition, cash flows and results of operations, with potentially negative impacts on the holders of stapled securities.

Although the interest income received by Cayman Corp 1 is not subject to an entity level tax in the Cayman Islands, this non-inclusion is not the result of hybridity but rather a result of the Cayman Island not imposing any direct taxes (including income or withholding tax) under existing legislation on its corporate entities. Furthermore, it is not expected for any investor in EH-REIT who is (i) tax resident in a jurisdiction that treats EH-REIT as fiscally transparent and (ii) a related investor (under the rules of section 954(d)(3) but without regard to downward attribution), to not include the interest income paid to Cayman Corp 1 in such investor's taxable income. For these reasons, it is not expected for the 267A Proposed Regulations to disallow US Corp a deduction for the interest payments made to Cayman Corp 1.

The Managers believe that the interest rate on the loan from Cayman Corp 1 is on an arm's length basis under applicable US transfer pricing regulations, that the deductibility of interest is not otherwise limited, and that the loan will be respected as *bona fide* debt. As such, the interest payments are expected to be fully deductible for US tax purpose.

Section 163(j), as amended by the *Tax Cuts and Jobs Act,* disallows a deduction for net business interest expense of any taxpayer in excess of 30% of a business's adjusted taxable income ("**ATI**"). ATI generally resembles a business's EBITDA. For tax years beginning after 2022, the definition of ATI is modified to take into account depreciation and amortisation deductions (i.e., the definition becomes closer to a business's EBIT). Any business interest disallowed would be carried forward indefinitely. Taxpayers that conduct a "real property trade or business" may make an irrevocable election to avoid the section 163(j) limitation. The term "real property trade or business", for this purpose, generally means any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business. The Treasury Department and the IRS issued proposed section 163(j) regulations on November 26, 2018. The proposed regulations provide guidance on certain definitional and structural matters but reserve on a number of issues, such as the definition of what constitutes a "real property rental" business for this purpose. As such, although US Corp is currently not expected to be precluded from making a real property trade or business election for section 163(j) purposes, this is however subject to any clarification issued in the future by the Treasury Department and the IRS. (See "Risk Factors – Risks relating to an investment in the Stapled Securities – Changes in taxation legislation, administrative guidance, practice, regulations, any disagreement as to the interpretation thereof, and/or any tax ruling ceasing to apply, may adversely affect EHT, its subsidiaries, Stapled Securityholders and/or the Managers (and its owners) for further details.)

The REIT Manager intends to follow the development of these new rules closely in order to assess if US Corp may avail itself to the election to not apply the section 163(j) limitation in order to maximise the company's deduction on interest expenses. The REIT Manager will seek the relevant US tax advice as appropriate.

Interest payments made by US Corp should generally be deductible in determining US Corp's U.S. taxable income taking into account the above provisions. Section 59A, enacted by the *Tax Cuts and Jobs Act,* imposes a base erosion and anti-abuse tax ("**BEAT**") on large multinationals. The tax is imposed on a group with average annual domestic gross receipts of US$500 million or more for the three preceding tax years) that make significant deductible payments to related foreign parties (generally 25% related foreign persons related to the taxpayer or its shareholders.) The tax is computed by applying a special tax rate (generally, 5% for the 2018 tax year, 10% for years through 2025, and 12.5% thereafter, to an adjusted tax base (known as modified taxable income or "**MTI**"). BEAT applies to the extent that the resulting tax is greater than the taxpayer's regular federal corporate income tax (computed after the application of most credits). Taxpayers are subject to the BEAT only if they have a "base erosion percentage" of, generally, 3% or higher for the tax year. The interest payments by US Corp to Cayman Corp 1 are not expected to be subject to BEAT at the present time because the group does not have US$500 million gross receipts.

In general, the deductions for interest and depreciation discussed above in respect of federal taxation are also applicable at the state and local level. However, some states do not conform to the federal taxation provisions, and such states may disallow the interest expense deduction. In those states that do not conform to the IRC or require certain modifications, even though federal taxable income may be in a loss position, there may be state taxable income due.

U.S. Federal Income Taxation of Distributions from US Corp to SG Corp

A distribution by US Corp to SG Corp (which has filed an election to confirm its classification as a corporation for U.S. federal income tax purposes) generally will be treated as dividend for U.S. federal income tax purposes to the extent that it is made out of current or accumulated earnings and profits. A distribution of this type will generally be subject to U.S. federal income tax and withholding at a rate of 30%. On the other hand, distributions in excess of US Corp's current and accumulated earnings and profits are generally a non-taxable return of capital to the extent that they do not exceed SG Corp's adjusted basis in its US Corp's stock, with the non-taxable return of capital reducing the adjusted basis in those Stapled Securities. Although distributions in excess of US Corp's current and accumulated earnings and profits are generally non-taxable to the extent that they do not exceed SG Corp's adjusted basis in its US Corp's stock, such distributions are nevertheless subject to 15% withholding. SG Corp may seek a refund from the IRS of any amounts withheld on distributions to it in excess of US Corp's current and accumulated earnings and profits, if the applicable withholding agent has properly deposited the withheld amounts with the IRS and such amounts exceed SG Corp's U.S. federal income tax liability.

US Corp is a USRPHC (i.e., a U.S. corporation whose assets consist principally of U.S. real property interests). Therefore, distributions that are in excess of its current and accumulated earnings and profits and cost basis will be taxed to SG Corp as if these distributions were ECI to SG Corp. Accordingly, SG Corp (i) will be taxed on these amounts at the ordinary federal income tax rates applicable to a U.S. corporation, currently at 21% and (ii) will be required to file a U.S. federal income tax return reporting these amounts, even if applicable withholding is imposed as described below. US Corp will generally be required to withhold 15% of any distributions to SG Corp that is not treated as a dividend for U.S. federal income tax purposes. The amount of any such withholding tax will be creditable against SG Corp's U.S. federal income tax liability, and SG Corp may file for a refund from the IRS of any amount withheld that is in excess of that tax liability, provided that the applicable withholding agent has properly deposited the withheld amounts with the IRS.

Taxation of Cayman Corp 2

Classification of Cayman Corp 2 as a Disregarded Entity for U.S. Federal Income Tax Purposes

Cayman Corp 2 is formed under the laws of Cayman Islands and for U.S. federal income tax purposes is a foreign eligible entity with a single owner that defaults to treatment as an association taxable as a corporation. Notwithstanding this default tax status, Cayman Corp 2 has made an election using Form 8832 to be disregarded as a separate entity for U.S. federal income tax purposes.

Taxation of Non-U.S. Stapled Securityholders

THE RULES GOVERNING THE U.S. FEDERAL INCOME TAXATION OF NON-U.S. HOLDERS ARE COMPLEX AND THIS SUMMARY IS FOR GENERAL INFORMATION ONLY. NON-U.S. HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE IMPACT OF U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME TAX LAWS ON OWNERSHIP OF THE STAPLED SECURITIES, INCLUDING ANY REPORTING REQUIREMENTS.

The following discussion describes certain U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of an investment in the Stapled Securities. This discussion applies only to investors that hold the Stapled Securities as capital assets and that acquire Stapled Securities in the Offering. This discussion is based upon current provisions of the Code, existing and proposed Treasury Regulations thereunder, current administrative rulings, judicial decisions and other applicable authorities. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The following discussion does not deal with the tax consequences to any particular investor or to persons in special tax situations (except as specifically addressed herein) such as banks, certain financial institutions, insurance companies, broker dealers, U.S. expatriates, traders that elect to mark to market, tax-exempt entities, persons liable for alternative minimum tax or persons holding a Unit as part of a straddle, hedging, conversion or integrated transaction.

A "**Non-U.S. Stapled Securityholder**" is a beneficial owner of a Unit that is neither a U.S. Holder nor a partnership (including an entity that is treated as a partnership for U.S. federal income tax purposes). A "**U.S. Stapled Securityholder**" is a beneficial owner of a Unit that is, for U.S. federal income tax purposes: (i) an individual citizen or resident of the U.S., (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organised in or under the laws of the U.S., any state thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source or (iv) a trust that (a) is subject to the supervision of a court within the U.S. and the control of one or more U.S. persons or (b) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

The U.S. federal income tax treatment of a partner in a partnership or other entity treated as a partnership that holds Stapled Securities depends on the status of the partner and the activities of the partnership. Partners in a partnership that owns Stapled Securities should consult their own tax advisors as to the particular U.S. federal income tax considerations applicable to them.

U.S. Federal Income Taxation of Stapled Securityholders

Interest Payments from US Corp

SG Lending Sub and Cayman Corp 1 will be disregarded as separate from EH-REIT. Interest payments to Cayman Corp 1 will, therefore, be treated as being received by EH-REIT. As discussed above, EH-REIT will be treated as a partnership for U.S. federal income tax purposes. As such, each Stapled Securityholder will be required to take into account for U.S. federal income tax purposes its allocable share of interest payments from US Corp.

The interest payments from US Corp and to Cayman Corp 1 will be free of U.S. federal income tax and the 30% withholding requirement to the extent the interest qualifies as "**portfolio interest**". The interest is expected to qualify as portfolio interest with respect to any Non-U.S. Stapled Securityholder provided that (i) the beneficial owner does not actually or constructively own 10% or more of the total combined voting power of all classes of Stapled Securities entitled to vote, (ii) the beneficial owner is not a CFC to which US Corp is a "related person" within the meaning of the IRC, and (iii) the beneficial owner has provided a statement signed under penalties of perjury that includes its name and address and certifies that it is a Non-U.S. Stapled Securityholder in compliance with applicable requirements, on an applicable IRS Form W-8.

The constructive ownership rules generally attribute ownership of stock (i) to individuals from spouses, children, grandchildren and parents ("family attribution"), (ii) to beneficial owners of entities from such entities ("upward attribution"), (iii) to entities from their beneficial owners ("downward attribution") and (iv) to option holders from options to acquire such stock ("option attribution"). In the case of (i) upward attribution and (ii) downward attribution from a shareholder that owns less than 50 percent of the value of a corporation, the stock attributed is proportional to (i) the beneficial owner's ownership of the entity and (ii) the shareholder's ownership interest in the corporation measured by value, respectively. In all other cases of downward attribution, all of the stock owned is attributed down.

All of the attribution rules generally apply simultaneously, except (i) stock constructively owned by an individual through family attribution cannot be subsequently treated as constructively owned by another individual through family attribution, (ii) stock constructively owned through downward attribution cannot be subsequently treated as constructively owned through upward attribution, (iii) stock constructively owned through option attribution cannot be subsequently treated as constructively owned through family, upward or downward attribution, and (iv) if option attribution and family attribution apply to the same stock, the stock is treated as constructively owned through option attribution.

Interest received that does not qualify as portfolio interest will generally be subject to U.S. federal withholding at a rate of 30% (or a lower applicable tax treaty rate) unless received by Cayman Corp 1 in respect of (i) a Non-U.S. Stapled Securityholder whose investment in the Stapled Securities is effectively connected with its conduct of a trade or business in the United States and a properly completed Form W-8ECI has not been provided or (ii) a Stapled Securityholder that is a U.S. person. Such Stapled Securityholders will be subject to tax with respect to interest from US Corp as ordinary income, and a corporate Non-U.S. Stapled Securityholder also may be subject to the 30% branch profits tax thereon. Non-U.S. Stapled Securityholders who have not submitted the relevant U.S. tax forms completely and accurately will also be subject to U.S. federal income tax and withholding tax at a rate of 30.0% (or a lower tax treaty rate, if applicable).

Disposition of the Stapled Securities

Gain on sale of Stapled Securities by a **Non-U.S. Stapled Securityholder** will not be subject to U.S. federal income taxation unless (i) the Non-U.S. Stapled Securityholder's investment in the Stapled Securities is effectively connected with its conduct of a trade or business in the United States (and, if provided by an applicable income tax treaty, is attributable to a permanent establishment or fixed base the Non-U.S. Stapled Securityholder maintains in the United States) and a properly completed Form W-8ECI has not been provided, (ii) the Non-U.S. Stapled Securityholder is present in the United State for 183 days or more in the taxable year of the sale and other specified conditions are met, or (iii) the Non-U.S. Stapled Securityholder is subject to U.S. federal income tax pursuant to the provisions of the U.S. tax law applicable to U.S. expatriates.

If gain on the sale of Stapled Securities would be subject to U.S. federal income taxation, the Stapled Securityholder would generally recognise any gain or loss equal to the difference between the amount realised and the Stapled Securityholder's adjusted basis in its Stapled Securities that are sold or exchanged. This gain or loss would be capital gain or loss, and would be long-term capital gain or loss if the Stapled Securityholder's holding period in its Stapled Securities exceeds one year. In addition, a corporate Non-U.S. Stapled Securityholder may be subject to the branch profits tax thereon.

Other Distributions by EH-REIT

Distributions by EH-REIT to a Non-U.S. Stapled Securityholder attributable to distributions received from SG Corp will not be subject to U.S. federal income taxation unless (i) the Non-U.S. Stapled Securityholder's investment in the Stapled Securities is effectively connected with its conduct of a trade or business in the United States (and, if provided by an applicable income tax treaty, is attributable to a permanent establishment or fixed base the Non-U.S. Stapled Securityholder maintains in the United States) and a properly completed Form W-8ECI has not been provided or (ii) the Non-U.S. Stapled Securityholder is subject to U.S. federal income tax pursuant to the provisions of the U.S. tax law applicable to U.S. expatriates.

PLAN OF DISTRIBUTION

The Managers are making an offering of 580,558,000 Stapled Securities (representing 66.9% of the total number of Stapled Securities in issue after the Offering) for subscription at the Offering Price under the Placement Tranche and the Public Offer. 535,687,000 Stapled Securities will be offered under the Placement Tranche and 44,871,000 Stapled Securities will be offered under the Public Offer. Stapled Securities may be re-allocated between the Placement Tranche and the Public Offer at the discretion of the Joint Bookrunners (in consultation with the Managers), subject to the minimum stapled securityholding and distribution requirements of the SGX-ST, in the event of an excess of applications in one and a deficit in the other.

The Public Offer is open to members of the public in Singapore. Under the Placement Tranche, the Managers intend to offer the Stapled Securities by way of an international placement through the Joint Bookrunners to investors, including institutional investors and other investors in Singapore and elsewhere in reliance on Regulation S.

Subject to the terms and conditions set forth in the underwriting agreement entered into between the Joint Bookrunners, the REIT Manager, the Trustee-Manager, the Sponsor and the Stapled Security Lender on 16 May 2019 (the "**Underwriting Agreement**"), the REIT Manager is expected to effect for the account of EH-REIT and the Trustee-Manager is expected to effect for the account of EH-BT the issue of, and the Joint Bookrunners are expected to severally (and not jointly) subscribe, or procure subscribers, for 580,558,000 Stapled Securities (which includes the Stapled Securities to be issued pursuant to the Offering, and the Cornerstone Stapled Securities), in the proportions set forth opposite their respective names below.

Joint Bookrunners	**Number of Stapled Securities**
DBS Bank Ltd.	290,279,000
Merrill Lynch (Singapore) Pte. Ltd.	98,694,860
UBS AG, Singapore Branch	69,666,960
BNP Paribas, acting through its Singapore branch	40,639,060
Deutsche Bank AG, Singapore Branch	40,639,060
Jefferies Singapore Limited	40,639,060
Total	580,558,000

The Stapled Securities will be offered at the Offering Price. The Offering Price per Stapled Security in the Placement Tranche and the Public Offer will be identical.

The Managers, the Sponsor and the Stapled Security Lender have agreed in the Underwriting Agreement to indemnify the Joint Bookrunners against certain liabilities. The indemnity in the Underwriting Agreement contains a contribution clause which provides that where the indemnification to the Joint Bookrunners is unavailable or insufficient, the Managers, the Sponsor and/or the Stapled Security Lender shall contribute to the amount paid or payable by such Joint Bookrunner as a result of any losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Managers, the Sponsor or the Stapled Security Lender on the one hand and the Joint Bookrunners on the other from the offering of the Stapled Securities. If, however, such allocation provided by the immediately preceding sentence is not permitted by applicable law, then the Managers, Sponsor and/or the Stapled Security Lender shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Managers, the Sponsor and/or the Stapled Security Lender on the one hand and the relevant Joint Bookrunner on the other in connection with the statements or

omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Managers, the Sponsor and/or the Stapled Security Lender on the one hand and the relevant Joint Bookrunner on the other shall be deemed to be in the same proportion as the total net proceeds from the Stapled Securities in the Offering and Cornerstone Stapled Securities subscribed for or purchased under the Underwriting Agreement (before deducting expenses) bear to the underwriting commission received by the relevant Joint Bookrunner with respect to the Stapled Securities in the Offering and Cornerstone Stapled Securities subscribed for or purchased under the Underwriting Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Managers, the Sponsor and the Stapled Security Lender on the one hand or the Joint Bookrunners on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. No Joint Bookrunner shall be required to contribute any amount in excess of the amount by which the total fees and commissions received by such Joint Bookrunner with respect to the Offering exceeds the amount of any damages which such Joint Bookrunner has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

The Underwriting Agreement also provides for the obligations of the Joint Bookrunners to subscribe or procure the subscription for the Stapled Securities in the Offering subject to certain conditions contained in the Underwriting Agreement.

The Underwriting Agreement may be terminated by the Joint Bookrunners at any time prior to the issue and delivery of the Stapled Securities upon the occurrence of certain events including, among others, certain force majeure events pursuant to the terms of the Underwriting Agreement.

Each of the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators, the Joint Bookrunners and their respective associates may engage in transactions with, and perform services for, EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager and the Sponsor in the ordinary course of business and have engaged, and may in the future engage, in commercial banking or investment banking transactions and/or other commercial transactions with EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager and the Sponsor, for which they have received or made payment of, or may in the future receive or make payment of, customary compensation.

Without prejudice to the generality of the foregoing, and in addition to their role as Joint Bookrunners pursuant to the Underwriting Agreement, and the role of DBS Bank Ltd. as Sole Financial Adviser and Issue Manager, and the role of DBS Bank Ltd. as Stabilising Manager, the Joint Bookrunners intend to pre-fund part of the proceeds raised from the Offering and the Cornerstone Stapled Securities, which will be used by EH-REIT to partially finance the payment to the Vendors for the purchase price of the Initial Portfolio. EHT intends to use part of the proceeds from the Offering and the issuance of Cornerstone Stapled Securities to repay the Joint Bookrunners for such pre-funded amounts. See "Use of Proceeds" for further details. In addition, Bank of America N.A. (or its affiliate), which is an affiliate of Merrill Lynch (Singapore) Pte. Ltd., Bank of the West, a California banking corporation which is wholly owned by BNP Paribas, Deutsche Bank AG New York Branch, which is an affiliate of Deutsche Bank AG, Singapore Branch, DBS Bank Ltd. and UBS AG, Stamford Branch which is an affiliate of UBS AG, Singapore Branch will be extending the New Term Loan Facilities to EH-REIT (see "Capitalisation and Indebtedness" for further details). Letters of credit which may be given to the Master Lessees as security deposits under the Master Lease Agreements may also be provided by any of the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators, the Joint Bookrunners or their affiliates. In connection with standby letters of credit issued by the Third Party Financial

Institution in favour of the Master Lessors as security deposits under the Master Lease Agreements on or around the Listing Date, it is expected that UBS AG, Singapore Branch, will be issuing counter-standby letters of credit to the Third Party Financial Institution. As the risk is passed through to UBS AG, Singapore Branch through the Third Party Financial Institution, UBS AG, Singapore Branch will be receiving collateral from SPV1 before issuing such counter-standby letters of credit to the Third Party Financial Institution. The standby letters of credit issued by the Third Party Financial Institution may in turn be used by EH-REIT as collateral under the New Term Loan Facilities.

Each of the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators, the Joint Bookrunners and their respective associates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers in the ordinary course of business, and such investment and securities activities may involve securities and instruments, including Stapled Securities. The Sole Financial Adviser and Issue Manager, the Joint Global Coordinators, the Joint Bookrunners and their associates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to their clients that they acquire, long and/or short positions in such securities and instruments.

OVER-ALLOTMENT AND STABILISATION

The Stapled Security Lender has granted the Over-Allotment Option to the Joint Bookrunners for the purchase from the Stapled Security Lender up to an aggregate of 37,500,000 Stapled Securities at the Offering Price. The number of Stapled Securities subject to the Over-Allotment Option will not be more than 6.5% (based on the Offering Price) of the number of Stapled Securities under the Offering. The Stabilising Manager (or any of its affiliates or other persons acting on its behalf), in consultation with the other Joint Bookrunners, may exercise the Over-Allotment Option in full or in part, on one or more occasions, to acquire from the Stapled Security Lender, up to an aggregate of 37,500,000 Stapled Securities at the Offering Price, representing not more than 6.5% of the total number of Stapled Securities in the Offering solely to cover the over-allotment of Stapled Securities (if any) made in connection with the Offering. The Over-Allotment Option is exercisable from the Listing Date but no later than the earlier of (i) the date falling 30 days from the Listing Date; or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on its behalf) has bought, on the SGX-ST, an aggregate of 37,500,000 Stapled Securities, (representing 6.5% of the total number of Stapled Securities in the Offering), to undertake stabilising actions to purchase up to an aggregate of 37,500,000 Stapled Securities (representing 6.5% of the total number of Stapled Securities in the Offering), at the Offering Price. In connection with the Over-Allotment Option, the Stabilising Manager and the Stapled Security Lender have entered into a stapled security lending agreement (the "**Stapled Security Lending Agreement**") dated 16 May 2019 pursuant to which the Stabilising Manager (or any of its affiliates or other persons acting on its behalf) may borrow up to an aggregate of 37,500,000 Stapled Securities from the Stapled Security Lender for the purpose of facilitating settlement of the over-allotment of Stapled Securities in connection with the Offering. The Stabilising Manager (or any of its affiliates or other persons acting on its behalf) will re-deliver to the Stapled Security Lender such number of Stapled Securities which have not been purchased pursuant to the exercise of the Over-Allotment Option.

In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on its behalf) may, in consultation with the other Joint Bookrunner and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Stapled Securities at levels which might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on its behalf) will undertake stabilising action. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable

laws and regulations, including the SFA and any regulations thereunder. Any profit after expenses derived, or any loss sustained as a consequence of the exercise of the Over-Allotment Option or the undertaking of any stabilising activities shall be for the account of the Joint Bookrunners.

None of the Managers, the Sponsor, the Stapled Security Lender, the Joint Bookrunners or the Stabilising Manager (or any of its affiliates or other persons acting on its behalf) makes any representation or prediction as to the magnitude of any effect that the transactions described above may have on the price of the Stapled Securities. In addition, none of the Managers, the Sponsors, the Stapled Security Lender, the Joint Bookrunners or the Stabilising Manager (or any of its affiliates or other persons acting on its behalf) makes any representation that the Stabilising Manager (or any of its affiliates or other persons acting on its behalf) will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice (unless such notice is required by law). The Stabilising Manager will be required to make a public announcement via SGXNET in relation to the total number of Stapled Securities purchased by the Stabilising Manager (or any of its affiliates or other persons acting on its behalf), not later than 12.00 noon on the next trading day of the SGX-ST after the transactions are effected. The Stabilising Manager will also be required to make a public announcement through the SGX-ST in relation to the cessation of stabilising action and the number of Stapled Securities in respect of which the Over-Allotment Option has been exercised not later than 8.30 a.m. on the next trading day of the SGX-ST after the cessation of stabilising action.

LOCK-UP ARRANGEMENTS

SPV1

Subject to the exceptions described below, SPV1 has agreed with the Joint Bookrunners that it will not during the First Lock-up Period, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise dispose of or transfer, any or all of its effective interest in the Lock-up Stapled Securities (including any interests or securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities);

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities);

(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any of its effective interest in the Lock-up Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (a) to (e) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period as applicable), and the same restrictions will apply in respect of its effective interest in 50.0% of the Lock-up Stapled Securities (adjusted for any bonus issue or subdivision) during the Second Lock-up Period[1].

The restrictions described in the preceding paragraphs do not apply to prohibit:

(i) SPV1 from being able to create a charge over the Lock-up Stapled Securities or otherwise grant of security over or creation of any encumbrance over the Lock-up Stapled Securities, provided that such charge, security or encumbrance (A) cannot be enforced over any Lock-up Stapled Securities during the First Lock-up Period, and (B) can only be enforced with respect to 50.0% of the effective interest in the Lock-up Stapled Securities during the Second Lock-up Period. The charge, security or encumbrance will only be created if the chargee (such as a bank or financial institution) agrees that the charge, security or encumbrance over the Lock-up Stapled Securities cannot be enforced over 100.0% of the Lock-up Stapled Securities during the First Lock-up Period and can only be enforced in relation to 50.0% of the effective interest in the Lock-up Stapled Securities during the Second Lock-up Period;

(ii) SPV1 from entering into the Stapled Security Lending Agreement with the Joint Bookrunners and Underwriters or any sale or transfer of the Lock-up Stapled Securities by SPV1 pursuant to the exercise of the Over-Allotment Option, provided that the restrictions in the preceding paragraphs will apply to the Stapled Securities returned to SPV1 pursuant to the Stapled Security Lending Agreement; and

(iii) SPV1 from being able to transfer the Lock-up Stapled Securities to and between any entities which are directly or indirectly wholly-owned by Howard Wu, provided that any such entity shall, during the First Lock-up Period, maintain a direct or indirect interest in 100.0% of the Lock-up Stapled Securities and, during the Second Lock-up Period, maintain a direct or indirect interest in 50.0% of the Lock-up Stapled Securities and SPV1 has procured that such transferee entities have executed and delivered to the Joint Bookrunners undertakings to the effect that such transferee entities will comply with such restrictions so as to enable SPV1 to comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

If, for any reason, the Listing Date does not take place within six months of the date of this Prospectus, the lock-up arrangements described above will be terminated.

SPV2

Subject to the exceptions described below, SPV2 has agreed with the Joint Bookrunners that it will not during the First Lock-up Period, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise dispose of or transfer, any or all of its effective interest in the Lock-up Stapled Securities (including any interests or securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities);

1 For the avoidance of doubt, the restrictions above do not apply to the Consideration Stapled Securities issued to SPV5 as part of the Chief Executive Officer and President's remuneration package.

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities);

(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any of its effective interest in the Lock-up Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (a) to (e) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period as applicable), and the same restrictions will apply in respect of its effective interest in 50.0% of the Lock-up Stapled Securities (adjusted for any bonus issue or subdivision) during the Second Lock-up Period[1].

The restrictions described in the preceding paragraphs do not apply to prohibit:

(i) SPV2 from being able to create a charge over the Lock-up Stapled Securities or otherwise grant of security over or creation of any encumbrance over the Lock-up Stapled Securities, provided that such charge, security or encumbrance (A) cannot be enforced over any Lock-up Stapled Securities during the First Lock-up Period, and (B) can only be enforced with respect to 50.0% of the effective interest in the Lock-up Stapled Securities during the Second Lock-up Period. The charge, security or encumbrance will only be created if the chargee (such as a bank or financial institution) agrees that the charge, security or encumbrance over the Lock-up Stapled Securities cannot be enforced over 100.0% of the Lock-up Stapled Securities during the First Lock-up Period and can only be enforced in relation to 50.0% of the effective interest in the Lock-up Stapled Securities during the Second Lock-up Period; and

(ii) SPV2 from being able to transfer the Lock-up Stapled Securities to and between any entities which are directly or indirectly wholly-owned by Howard Wu, provided that any such entity shall, during the First Lock-up Period, maintain a direct or indirect interest in 100.0% of the Lock-up Stapled Securities and, during the Second Lock-up Period, maintain a direct or indirect interest in 50.0% of the Lock-up Stapled Securities and SPV2 has procured that such transferee entities have executed and delivered to the Joint Bookrunners undertakings to the effect that such transferee entities will comply with such restrictions so as to enable SPV2 to comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

If, for any reason, the Listing Date does not take place within six months of the date of this Prospectus, the lock-up arrangements described above will be terminated.

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1 For the avoidance of doubt, the restrictions above do not apply to the Consideration Stapled Securities issued to SPV5 as part of the Chief Executive Officer and President's remuneration package.

SPV3

Subject to the exceptions described below, SPV3 has agreed with the Joint Bookrunners that it will not during the First Lock-up Period, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise dispose of or transfer, any or all of its effective interest in the Lock-up Stapled Securities (including any interests or securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities);

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities);

(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any of its effective interest in the Lock-up Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (a) to (e) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period as applicable), and the same restrictions will apply in respect of its effective interest in 50.0% of the Lock-up Stapled Securities (adjusted for any bonus issue or subdivision) during the Second Lock-up Period[1].

The restrictions described in the preceding paragraphs do not apply to prohibit:

(i) SPV3 from being able to create a charge over the Lock-up Stapled Securities or otherwise grant of security over or creation of any encumbrance over the Lock-up Stapled Securities, provided that such charge, security or encumbrance (A) cannot be enforced over any Lock-up Stapled Securities during the First Lock-up Period, and (B) can only be enforced with respect to 50.0% of the effective interest in the Lock-up Stapled Securities during the Second Lock-up Period. The charge, security or encumbrance will only be created if the chargee (such as a bank or financial institution) agrees that the charge, security or encumbrance over the Lock-up Stapled Securities cannot be enforced over 100.0% of the Lock-up Stapled Securities during the First Lock-up Period and can only be enforced in relation to 50.0% of the effective interest in the Lock-up Stapled Securities during the Second Lock-up Period; and

1 For the avoidance of doubt, the restrictions above do not apply to the Consideration Stapled Securities issued to SPV5 as part of the Chief Executive Officer and President's remuneration package.

(ii) SPV3 from being able to transfer the Lock-up Stapled Securities to and between any entities which are directly or indirectly wholly-owned by Howard Wu, provided that any such entity shall, during the First Lock-up Period, maintain a direct or indirect interest in 100.0% of the Lock-up Stapled Securities and, during the Second Lock-up Period, maintain a direct or indirect interest in 50.0% of the Lock-up Stapled Securities and SPV3 has procured that such transferee entities have executed and delivered to the Joint Bookrunners undertakings to the effect that such transferee entities will comply with such restrictions so as to enable SPV3 to comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

If, for any reason, the Listing Date does not take place within six months of the date of this Prospectus, the lock-up arrangements described above will be terminated.

SPV4

Subject to the exceptions described below, SPV4 has agreed with the Joint Bookrunners that it will not during the First Lock-up Period, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise dispose of or transfer, any or all of its effective interest in the Lock-up Stapled Securities (including any interests or securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities);

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities);

(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any of its effective interest in the Lock-up Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (a) to (e) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period as applicable), and the same restrictions will apply in respect of its effective interest in 50.0% of the Lock-up Stapled Securities (adjusted for any bonus issue or subdivision) during the Second Lock-up Period[1].

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1 For the avoidance of doubt, the restrictions above do not apply to the Consideration Stapled Securities issued to SPV5 as part of the Chief Executive Officer and President's remuneration package.

The restrictions described in the preceding paragraphs do not apply to prohibit:

(i) SPV4 from being able to create a charge over the Lock-up Stapled Securities or otherwise grant of security over or creation of any encumbrance over the Lock-up Stapled Securities, provided that such charge, security or encumbrance (A) cannot be enforced over any Lock-up Stapled Securities during the First Lock-up Period, and (B) can only be enforced with respect to 50.0% of the effective interest in the Lock-up Stapled Securities during the Second Lock-up Period. The charge, security or encumbrance will only be created if the chargee (such as a bank or financial institution) agrees that the charge, security or encumbrance over the Lock-up Stapled Securities cannot be enforced over 100.0% of the Lock-up Stapled Securities during the First Lock-up Period and can only be enforced in relation to 50.0% of the effective interest in the Lock-up Stapled Securities during the Second Lock-up Period; and

(ii) SPV4 from being able to transfer the Lock-up Stapled Securities to and between any entities which are directly or indirectly wholly-owned by Taylor Woods, provided that any such entity shall, during the First Lock-up Period, maintain a direct or indirect interest in 100.0% of the Lock-up Stapled Securities and, during the Second Lock-up Period, maintain a direct or indirect interest in 50.0% of the Lock-up Stapled Securities and SPV4 has procured that such transferee entities have executed and delivered to the Joint Bookrunners undertakings to the effect that such transferee entities will comply with such restrictions so as to enable SPV4 to comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

If, for any reason, the Listing Date does not take place within six months of the date of this Prospectus, the lock-up arrangements described above will be terminated.

SPV5

Subject to the exceptions described below, SPV5 has agreed with the Joint Bookrunners that it will not during the First Lock-up Period, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise dispose of or transfer, any or all of its effective interest in the Lock-up Stapled Securities (including any interests or securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities);

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities);

(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any of its effective interest in the Lock-up Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (a) to (e) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period as applicable), and the same restrictions will apply in respect of its effective interest in 50.0% of the Lock-up Stapled Securities (adjusted for any bonus issue or subdivision) during the Second Lock-up Period.

The restrictions described in the preceding paragraphs do not apply to prohibit:

(i) SPV5 from being able to create a charge over the Lock-up Stapled Securities or otherwise grant of security over or creation of any encumbrance over the Lock-up Stapled Securities, provided that such charge, security or encumbrance (A) cannot be enforced over any Lock-up Stapled Securities during the First Lock-up Period, and (B) can only be enforced with respect to 50.0% of the effective interest in the Lock-up Stapled Securities during the Second Lock-up Period. The charge, security or encumbrance will only be created if the chargee (such as a bank or financial institution) agrees that the charge, security or encumbrance over the Lock-up Stapled Securities cannot be enforced over 100.0% of the Lock-up Stapled Securities during the First Lock-up Period and can only be enforced in relation to 50.0% of the effective interest in the Lock-up Stapled Securities during the Second Lock-up Period; and

(ii) SPV5 from being able to transfer the Lock-up Stapled Securities to and between any entities which are directly or indirectly wholly-owned by Salvatore G. Takoushian, provided that any such entity shall, during the First Lock-up Period, maintain a direct or indirect interest in 100.0% of the Lock-up Stapled Securities and, during the Second Lock-up Period, maintain a direct or indirect interest in 50.0% of the Lock-up Stapled Securities and SPV5 has procured that such transferee entities have executed and delivered to the Joint Bookrunners undertakings to the effect that such transferee entities will comply with such restrictions so as to enable SPV5 to comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

If, for any reason, the Listing Date does not take place within six months of the date of this Prospectus, the lock-up arrangements described above will be terminated.

Howard Wu

Subject to the exceptions described below, Howard Wu has agreed with the Joint Bookrunners that he will not during the First Lock-up Period, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise dispose of or transfer, any or all of his effective interest in the Lock-up Stapled Securities (including any interests or securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities);

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities);

(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any of his effective interest in the Lock-up Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (a) to (e) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period as applicable), and the same restrictions will apply in respect of his effective interest in 50.0% of the Lock-up Stapled Securities (adjusted for any bonus issue or subdivision) during the Second Lock-up Period[1].

The restrictions described in the preceding paragraphs do not apply to prohibit Howard Wu from being able to:

(i) create a charge over the shares in SPV1, SPV2 and SPV3 (the "**HW SPVs**", and the shares of the HW SPVs, the "**HW SPVs Shares**") or the Lock-up Stapled Securities or otherwise grant of security over or creation of any encumbrance over the HW SPVs Shares or the Lock-up Stapled Securities, provided that such charge, security or encumbrance (A) cannot be enforced over any HW SPVs Shares or the Lock-up Stapled Securities during the First Lock-up Period, and (B) can only be enforced with respect to 50.0% of the effective interest in the HW SPVs Shares or the Lock-up Stapled Securities during the Second Lock-up Period. The charge, security or encumbrance will only be created if the chargee (such as a bank or financial institution) agrees that the charge, security or encumbrance over the HW SPVs Shares or the Lock-up Stapled Securities cannot be enforced over 100.0% of the HW SPVs Shares or the Lock-up Stapled Securities during the First Lock-up Period and can only be enforced in relation to 50.0% of the effective interest in the HW SPVs Shares or the Lock-up Stapled Securities during the Second Lock-up Period;

(ii) have the Stapled Security Lender enter into the Stapled Security Lending Agreement with the Joint Bookrunners or have any sale or transfer of the Lock-up Stapled Securities by the Stapled Security Lender pursuant to the exercise of the Over-Allotment Option, provided that the restrictions in the preceding paragraphs will apply to the Stapled Securities returned to the Stapled Security Lender pursuant to the Stapled Security Lending Agreement; and

(iii) transfer the HW SPVs Shares or the Lock-up Stapled Securities to and between any entities which are directly or indirectly wholly-owned by Howard Wu, provided that any such entity shall, during the First Lock-up Period, maintain a direct or indirect interest in 100.0% of the

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1 For the avoidance of doubt, the restrictions above do not apply to the Consideration Stapled Securities issued to SPV5 as part of the Chief Executive Officer and President's remuneration package.

Lock-up Stapled Securities and, during the Second Lock-up Period, maintain a direct or indirect interest in 50.0% of the Lock-up Stapled Securities and Howard Wu has procured that such transferee entities have executed and delivered to the Joint Bookrunners undertakings to the effect that such transferee entities will comply with such restrictions so as to enable Howard Wu to comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

If, for any reason, the Listing Date does not take place within six months of the date of this Prospectus, the lock-up arrangements described above will be terminated.

Taylor Woods

Subject to the exceptions described below, Taylor Woods has agreed with the Joint Bookrunners that he will not during the First Lock-up Period, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise dispose of or transfer, any or all of his effective interest in the Lock-up Stapled Securities (including any interests or securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities);

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities);

(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any of his effective interest in the Lock-up Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (a) to (e) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period as applicable), and the same restrictions will apply in respect of his effective interest in 50.0% of the Lock-up Stapled Securities (adjusted for any bonus issue or subdivision) during the Second Lock-up Period[1].

1 For the avoidance of doubt, the restrictions above do not apply to the Consideration Stapled Securities issued to SPV5 as part of the Chief Executive Officer and President's remuneration package.

The restrictions described in the preceding paragraphs do not apply to prohibit Taylor Woods from being able to:

(i) create a charge over the shares in SPV4 (the "**SPV4 Shares**") or the Lock-up Stapled Securities or otherwise grant of security over or creation of any encumbrance over the SPV4 Shares or the Lock-up Stapled Securities, provided that such charge, security or encumbrance (A) cannot be enforced over any SPV4 Shares or the Lock-up Stapled Securities during the First Lock-up Period, and (B) can only be enforced with respect to 50.0% of the effective interest in the SPV4 Shares or the Lock-up Stapled Securities during the Second Lock-up Period. The charge, security or encumbrance will only be created if the chargee (such as a bank or financial institution) agrees that the charge, security or encumbrance over the SPV4 Shares or the Lock-up Stapled Securities cannot be enforced over 100.0% of the SPV4 Shares or the Lock-up Stapled Securities during the First Lock-up Period and can only be enforced in relation to 50.0% of the effective interest in the SPV4 Shares or the Lock-up Stapled Securities during the Second Lock-up Period; and

(ii) transfer the SPV4 Shares or the Lock-up Stapled Securities to and between any entities which are directly or indirectly wholly-owned by Taylor Woods, provided that any such entity shall, during the First Lock-up Period, maintain a direct or indirect interest in 100.0% of the Lock-up Stapled Securities and, during the Second Lock-up Period, maintain a direct or indirect interest in 50.0% of the Lock-up Stapled Securities and Taylor Woods has procured that such transferee entities have executed and delivered to the Joint Bookrunners undertakings to the effect that such transferee entities will comply with such restrictions so as to enable Taylor Woods to comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

If, for any reason, the Listing Date does not take place within six months of the date of this Prospectus, the lock-up arrangements described above will be terminated.

Salvatore G. Takoushian

Subject to the exceptions described below, Salvatore G. Takoushian has agreed with the Joint Bookrunners that he will not during the First Lock-up Period, directly or indirectly:

(a) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, encumber or otherwise dispose of or transfer, any or all of his effective interest in the Lock-up Stapled Securities (including any interests or securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities);

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities);

(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any of his effective interest in the Lock-up Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Lock-up Stapled Securities or which carry rights to subscribe for or purchase any such Lock-up Stapled Securities) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (a) to (e) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period as applicable), and the same restrictions will apply in respect of his effective interest in 50.0% of the Lock-up Stapled Securities (adjusted for any bonus issue or subdivision) during the Second Lock-up Period.

The restrictions described in the preceding paragraphs do not apply to prohibit Salvatore G. Takoushian from being able to:

(i) create a charge over the shares in SPV5 (the "**SPV5 Shares**") or the Lock-up Stapled Securities or otherwise grant of security over or creation of any encumbrance over the SPV5 Shares or the Lock-up Stapled Securities, provided that such charge, security or encumbrance (A) cannot be enforced over any SPV5 Shares or the Lock-up Stapled Securities during the First Lock-up Period, and (B) can only be enforced with respect to 50.0% of the effective interest in the SPV5 Shares or the Lock-up Stapled Securities during the Second Lock-up Period. The charge, security or encumbrance will only be created if the chargee (such as a bank or financial institution) agrees that the charge, security or encumbrance over the SPV5 Shares or the Lock-up Stapled Securities cannot be enforced over 100.0% of the SPV5 Shares or the Lock-up Stapled Securities during the First Lock-up Period and can only be enforced in relation to 50.0% of the effective interest in the SPV5 Shares or the Lock-up Stapled Securities during the Second Lock-up Period; and

(ii) transfer the SPV5 Shares or the Lock-up Stapled Securities to and between any entities which are directly or indirectly wholly-owned by Salvatore G. Takoushian, provided that any such entity shall, during the First Lock-up Period, maintain a direct or indirect interest in 100.0% of the Lock-up Stapled Securities and, during the Second Lock-up Period, maintain a direct or indirect interest in 50.0% of the Lock-up Stapled Securities and Salvatore G. Takoushian has procured that such transferee entities have executed and delivered to the Joint Bookrunners undertakings to the effect that such transferee entities will comply with such restrictions so as to enable Salvatore G. Takoushian to comply with the foregoing restrictions for the unexpired period of the First Lock-up Period and the Second Lock-up Period.

If, for any reason, the Listing Date does not take place within six months of the date of this Prospectus, the lock-up arrangements described above will be terminated.

The Managers

Subject to the exceptions described below, each of the Managers has agreed with the Joint Bookrunners that it will not during the First Lock-up Period, directly or indirectly:

(a) allot, issue, offer, pledge, sell, contract to issue or sell, sell any option or contract to subscribe or purchase, purchase any option or contract to issue or sell, grant any option, right or warrant to subscribe, purchase, lend, hypothecate, grant security over, encumber or otherwise dispose or transfer, any Stapled Securities (including any interests or any securities convertible into or exercisable or exchangeable for any Stapled Securities or which carry rights to subscribe for or purchase any Stapled Securities);

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Stapled Securities or any other securities of EHT or any of its subsidiaries or any interest in any of the foregoing (including any securities convertible into or exercisable or exchangeable, or which carry rights to subscribe or purchase Stapled Securities or any other securities of EHT or any of its subsidiaries);

(c) enter into any transaction (including a derivative transaction) with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any Stapled Securities (including any securities convertible into or exercisable or exchangeable for any Stapled Securities or which carry rights to subscribe for or purchase any Stapled Securities) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (a) to (e) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period).

The restrictions described in the preceding paragraphs do not apply to the issuance of (i) Stapled Securities to be offered under the Offering, (ii) the Sponsor Stapled Securities, (iii) the Cornerstone Stapled Securities and (iv) Stapled Securities to the Managers in payment of any fees payable to the Managers under the EH-REIT Trust Deed and the EH-BT Trust Deed.

SGX-ST LISTING

EHT has received a letter of eligibility from the SGX-ST for the listing and quotation of the Stapled Securities on the Main Board of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager or the Stapled Securities. It is expected that the Stapled Securities will commence trading on the SGX-ST on a "ready" basis on or about 24 May 2019.

Prior to this Offering, there has been no trading market for the Stapled Securities. There can be no assurance that an active trading market will develop for the Stapled Securities, or that the Stapled Securities will trade in the public market subsequent to this Offering at or above the Offering Price. (See "Risk Factors – Risks Relating to an Investment in the Stapled Securities – The Stapled Securities have never been publicly traded and the listing of the Stapled Securities on the Main Board of the SGX-ST may not result in an active or liquid market for the Stapled Securities" for further details).

ISSUE EXPENSES

The estimated amount of the expenses in relation to the Offering and the issuance of the Cornerstone Stapled Securities and Consideration Stapled Securities of US$41.4 million based on the Offering Price (assuming that the Over-Allotment Option is exercised in full) includes the Underwriting, Selling and Management Commission, professional and other fees and all other incidental expenses relating to the Offering and the issuance of the Cornerstone Stapled Securities and Consideration Stapled Securities, which will be borne by EHT.

A breakdown of these estimated expenses is as follows:

	(US$'000) (based on Offering Price)	As a dollar amount for each US$ of the total issue proceeds of the Offering and the issue of the Cornerstone Stapled Securities and Consideration Stapled Securities
Underwriting, Selling and Management Commission[(1)]	17,853	0.03
Professional and other fees[(2)]	15,123	0.02
Miscellaneous Offering expenses[(3)]	8,387	0.01
Total estimated expenses of the Offering and issuance of the Cornerstone Stapled Securities	41,363	0.06

Notes:

(1) Such commission represents a maximum of 3.0% of the Offering and the proceeds raised from the issuance of Cornerstone Stapled Securities, and assuming the Over-Allotment Option is exercised in full. The amount of total commission payable by the Managers will be pegged to the Offering Price.

(2) Includes financial advisory fees, solicitors' fees and fees for the Reporting Auditors, the Independent Tax Adviser, the Independent Valuers, the Independent Market Research Consultant and other professionals' fees and other expenses.

(3) Includes cost of prospectus production, road show expenses and certain other expenses incurred or to be incurred in connection with the Offering and the issuance of the Cornerstone Stapled Securities.

The Managers will make periodic announcements on the utilisation of the net proceeds from the Offering and the Cornerstone Stapled Securities via SGXNET as and when such funds are materially utilised. The actual use of such proceeds will be disclosed in the annual report of EHT.

DISTRIBUTION AND SELLING RESTRICTIONS

None of the Managers, the Sponsor or the Joint Bookrunners have taken any action, or will take any action, in any jurisdiction other than Singapore that would permit a public offering of the Stapled Securities, or the possession, circulation or distribution of this Prospectus or any other material relating to the Offering in any jurisdiction other than Singapore where action for that purpose is required.

Accordingly, each purchaser of the Stapled Securities may not offer or sell, directly or indirectly, any Stapled Securities and may not distribute or publish this Prospectus or any other offering material or advertisements in connection with the Stapled Securities in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

Each purchaser of the Stapled Securities is deemed to have represented and agreed that it will comply with the selling restrictions set out below for each of the following jurisdictions:

Selling Restrictions

Australia

This Prospectus and the offer is only made available in Australia to persons to whom a disclosure document is not required to be given under either Chapter 6D or Chapter 7.9 of the Australian Corporations Act 2001 (Cth) ("**Australian Corporations Act**"). This Prospectus is not a prospectus, product disclosure statement or any other form of formal "disclosure document" for the purposes of Australian Corporations Act, and is not required to, and does not, contain all the information which would be required in a disclosure document under the Australian Corporations Act. If you are in Australia, this Prospectus is made available to you provided you are a person to whom an offer of securities can be made without a disclosure document such as a professional investor, sophisticated investor or wholesale client for the purposes of Chapter 6D or Chapter 7.9 of the Australian Corporations Act.

This Prospectus has not been and will not be lodged or registered with the Australian Securities and Investments Commission or ASX Limited or any other regulatory body or agency in Australia. The persons referred to in this document may not hold Australian financial services licences and may not be licensed to provide financial product advice in relation to the securities. No "cooling-off" regime will apply to an acquisition of any interest in EHT.

This Prospectus does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision in relation to this document, you should assess whether the acquisition of any interest in the EHT is appropriate in light of your own financial circumstances or seek professional advice.

If you acquire the Stapled Securities in Australia then you:

(a) represent and warrant that you are a professional or sophisticated investor;

(b) represent and warrant that you are a wholesale client; and

(c) agree not to sell or offer for sale any Stapled Securities in Australia within 12 months from the date of their issue under the Offering, except in circumstances where:

    (i) disclosure to investors would not be required under either Chapter 6D or Chapter 7.9 of the Australian Corporations Act; or

    (ii) such sale or offer is made pursuant to a disclosure document which complies with either Chapter 6D or Chapter 7.9 of the Australian Corporations Act.

Canada

The Stapled Securities may only be offered or sold, directly or indirectly, in the provinces of British Columbia, Alberta, Ontario and Quebec, or to residents thereof and not in, or to the residents of, any other province or territory of Canada. Such offers or sales will be made pursuant to an exemption from the requirement to file a prospectus with the regulatory authorities in the provinces of British Columbia, Alberta, Ontario and Quebec and will be made only by a dealer duly registered under the applicable securities laws of the province of British Columbia, Alberta, Ontario or Quebec, as the case may be, or in accordance with an exemption from the applicable registered dealer requirements.

The Stapled Securities may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions ("**NI-45-106**") or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Stapled Securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

The Joint Bookrunners intend to pre-fund part of the proceeds raised from the Offering and the Cornerstone Stapled Securities, which will be used by EH-REIT to partially finance payment to the Vendors for the purchase price of the Initial Portfolio. EHT intends to use part of the proceeds from the Offering and the issuance of Cornerstone Stapled Securities to repay the Joint Bookrunners for such pre-funded amounts. In addition (i) certain of the Joint Bookrunners or their affiliates will be providing the Facilities which EH-REIT will have in place as at the Listing Date, and (ii) one of the Joint Bookrunners will be subscribing for Stapled Securities, both (a) on behalf of itself through its treasury investments, and (b) on behalf of certain of its private banking clients, as Cornerstone Investors. Canadian investors should review the sections entitled "Plan of Distributions", "Use of Proceeds", "Ownership of the Stapled Securities – Subscription by the Cornerstone Investors" and "Capitalisation and Indebtedness" for further details if they require further information.

Upon receipt of the Prospectus, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Hong Kong

WARNING: The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice. This Prospectus has not been authorised by the Securities and Futures Commission in Hong Kong.

Accordingly, no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Stapled Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Stapled Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO.

Switzerland

The Stapled Securities may not be publicly offered, distributed or re-distributed on a professional basis in or from Switzerland and neither this document nor any other solicitation for investments in EHT may be communicated or distributed in Switzerland in any way that could constitute a public offering within the meaning of Articles 1156/652a of the Swiss Code of Obligations ("**CO**"). This document may not be copied, reproduced, distributed or passed on to others without the Joint Bookrunners' prior written consent. This document is not a prospectus within the meaning of Articles 1156/652a of the CO and EHT will not be listed on the SIX Swiss Exchange. Therefore, this document may not comply with the disclosure standards of the CO and/or the listing rules (including any prospectus schemes) of the SIX Swiss Exchange set forth in art. 27 et seq. of the SIX Listing Rules. In addition, it cannot be excluded that EHT could qualify as a foreign collective investment scheme pursuant to Article 119 of the Swiss Federal Act on Collective Investment Schemes, as amended ("**CISA**"). EHT will not be licensed for distribution in and from Switzerland. EHT will not be distributed in or from Switzerland as defined in the CISA. EHT may only be acquired by (i) licensed financial institutions, (ii) regulated insurance institutions, and (iii) other investors in a way which does not represent a "distribution" within the meaning of the CISA.

People's Republic of China

The Stapled Securities may not be offered or sold, and will not be offered or sold to any person in the People's Republic of China (excluding Hong Kong, Macau and Taiwan, the "**PRC**") as part of the initial distribution of the Stapled Securities, except pursuant to applicable laws and regulations of the PRC. This document does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC to any person to whom it is unlawful to make the offer or solicitation in the PRC.

The REIT Manager and the Trustee-Manager make no representation that this document may be lawfully distributed, or that any Stapled Securities may be lawfully offered, in compliance with any applicable registration or other requirements in the PRC, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the REIT Manager and/or the Trustee-Manager which would permit a public offering of any Stapled Securities or distribution of this document in the PRC. Accordingly, the Stapled Securities are not being offered or sold within the PRC by means of this document or any other document. Neither this document nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations.

Israel

The Stapled Securities offered by this prospectus have not been approved or disapproved by the Israel Securities Authority (the "**ISA**"), nor have such Stapled Securities been registered for sale in Israel. The Stapled Securities may not be offered or sold, directly or indirectly, to the public in Israel, absent the publication of a prospectus that has been approved by the ISA.

The ISA has not issued permits, approvals or licenses in connection with this offering or publishing this prospectus, nor has it authenticated the details included herein, confirmed their reliability or completeness, or rendered an opinion as to the quality of the Stapled Securities being offered.

This document does not constitute a prospectus under the Israeli Securities Law, 1968, and has not been filed with or approved by the ISA. In the State of Israel, this document may be distributed only to, and may be directed only at, and any offer of the Stapled Securities may be directed only at investors listed in the first addendum to the Israeli Securities Law (the "**Addendum**") consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange Ltd., underwriters and

venture capital funds each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors will be required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

Taiwan

EHT, a stapled group comprising EH-REIT and EH-BT, has not been and will not be registered with the Financial Supervisory Commission of Taiwan (the "**FSC**") pursuant to applicable securities laws and regulations and any sale of the Stapled Securities in Taiwan shall be in compliance with the local legal requirements and restrictions. There are restrictions on the offering, issue, distribution, transfer, sale or resale of the Stapled Securities in Taiwan, either through a public offering or private placement. The Stapled Securities cannot be sold, issued or publicly offered in Taiwan without prior approval or registration from or with the FSC pursuant to applicable laws. No person or entity in Taiwan has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Stapled Securities.

The United Kingdom

EHT is an unregulated collective investment scheme for the purposes of the Financial Services and Markets Act 2000 ("**FSMA**"), which has not been authorised or recognised by the United Kingdom Financial Conduct Authority. The promotion of Stapled Securities in EHT and distribution of this Prospectus in the United Kingdom is accordingly restricted by law.

Where the person distributing this Prospectus is:

(i) a person authorised under FSMA to carry on business in the United Kingdom, this Prospectus is being communicated only to:

  (a) persons outside the United Kingdom;

  (b) firms that are authorised under FSMA and certain other persons who are investment professionals falling within Article 14 of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001, as amended (the "**CIS Promotion Order**");

  (c) high net worth companies, unincorporated associations and other bodies falling within the categories described in Article 22 of the CIS Promotion Order;

  (d) the directors, officers and employees ("**A**") of any person falling within (i)(b)-(c) above ("**B**"), where the duties of A when acting in that capacity involve A in B's participation in unregulated schemes; or

  (e) persons to whom it may otherwise lawfully be communicated; and

(ii) a person not authorised under FSMA to carry on business in the United Kingdom, this Prospectus is being communicated only to:

  (a) persons outside the United Kingdom;

(b) persons having professional experience in matters relating to investments who are firms that are authorised under FSMA or certain other persons who are investment professionals falling within Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**FPO**") and the directors, officers and employees ("**A**") of any such firms and persons ("**B**"), where the communication is made to A in that capacity and where A's responsibilities when acting in that capacity involve A in the carrying on B of controlled activities; or

(c) high net worth companies, unincorporated associations and other bodies falling within the categories described in Article 49 of the FPO and the directors, officers and employees ("**A**") of any such high net worth companies, unincorporated associations and other bodies ("**B**"), where the responsibilities of A when acting in that capacity, involve A in B's engaging in investment activity; or

(d) persons to whom it may otherwise lawfully be communicated,

(the persons described in (i) or (ii) as relevant, together "**Relevant Persons**").

This document and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on this document or any of its contents. Any Relevant Person seeking to rely on this Prospectus is warned that buying Stapled Securities may expose him to a significant risk of losing all the property he invested. If a Relevant Person is in doubt about the Stapled Securities he should consult a person authorised under FSMA who specialises in advising on such investments.

This Prospectus does not constitute an offer document or an offer of transferable securities in the United Kingdom to which section 85 of FSMA applies and should not be considered as a recommendation that any person should subscribe for or purchase any of the Stapled Securities. The Stapled Securities will not be offered or sold to any person in the United Kingdom except in circumstances which have not resulted and will not result in an offer to the public in contravention of section 85(1) of FSMA. This Prospectus has been prepared on the basis that all offers of Stapled Securities will be made to an exemption under section 86 of FSMA.

United States

The Stapled Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in a transaction that is exempt from, or not subject to, the registration requirements of the Securities Act. The Stapled Securities are being offered and sold outside of the United States in reliance on Regulation S (terms used in this paragraph that are defined in Regulation S are used herein as defined therein).

Transfer Restrictions

Each purchaser of the Stapled Securities offered hereby in reliance on Regulation S will be deemed to have represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an investment decision and that:

(a) it is aware that the Stapled Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States;

(b) it is purchasing the Stapled Securities in an offshore transaction meeting the requirements of Regulation S; and

(c) it will not offer, sell, pledge or transfer any Stapled Securities, except in accordance with the Securities Act and any applicable laws of any state of the United States and any other jurisdiction.

Terms used in this subsection that are defined in Regulation S are used herein as defined therein.

General

Each applicant for Stapled Securities in the Offering will be deemed to have represented and agreed that it is relying on this Prospectus and not on any other information or representation not contained in this Prospectus and none of EHT, EH-REIT, EH-BT, the REIT Manager, the REIT Trustee, the Trustee-Manager, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators, the Joint Bookrunners or any other person responsible for this Prospectus or any part of it will have any liability for any such other information or representation.

CLEARANCE AND SETTLEMENT

INTRODUCTION

A letter of eligibility has been obtained from the SGX-ST for the listing and quotation of the Stapled Securities. For the purpose of trading on the SGX-ST, a board lot for the Stapled Securities will comprise 100 Stapled Securities.

Upon listing and quotation on the SGX-ST, the Stapled Securities will be traded under the electronic book-entry clearance and settlement system of CDP. All dealings in and transactions of the Stapled Securities through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts, as amended from time to time.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the Securities Accounts maintained by such account holders with CDP.

It is expected that the Stapled Securities will be credited into the Securities Accounts of applicants for the Stapled Securities within four Market Days[1] after the closing date for applications for the Stapled Securities.

CLEARANCE AND SETTLEMENT UNDER THE DEPOSITORY SYSTEM

The Stapled Securities will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by CDP, will be treated as Stapled Securityholders in respect of the number of Stapled Securities credited to their respective Securities Accounts.

Transactions in the Stapled Securities under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Stapled Securities sold and the buyer's Securities Account being credited with the number of Stapled Securities acquired. No transfer stamp duty is currently payable for the transfer of the Stapled Securities that are settled on a book-entry basis.

The Stapled Securities credited to a Securities Account may be traded on the SGX-ST on the basis of a price between a willing buyer and a willing seller. The Stapled Securities credited into a Securities Account may be transferred to any other Securities Account with CDP, subject to the terms and conditions for the operation of Securities Accounts and a transfer fee payable to CDP. All persons trading in the Stapled Securities through the SGX-ST should ensure that the relevant Stapled Securities have been credited into their Securities Account, prior to trading in such Stapled Securities, since no assurance can be given that the Stapled Securities can be credited into the Securities Account in time for settlement following a dealing. If the Stapled Securities have not been credited into the Securities Account by the due date for the settlement of the trade, the buy-in procedures of the SGX-ST will be implemented.

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1 "**Market Day**" means any day on which the SGX-ST is open for trading in securities.

CLEARING FEES

A clearing fee for the trading of the Stapled Securities on the SGX-ST is payable at the rate of 0.0325% of the transaction value. The clearing fee, deposit fee and Stapled Security withdrawal fee may be subject to GST (currently 7.0%).

Dealings in the Stapled Securities will be carried out in US dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the second Market Day[1] following the transaction date and payment for the Stapled Securities is generally settled on the same Market Day[1] as settlement. CDP holds Stapled Securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with any CDP depository agent. A CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

1 "**Market Day**" means any day on which the SGX-ST is open for trading in securities.

EXPERTS

KPMG LLP, the Reporting Auditors, were responsible for preparing the Reporting Auditors' Report on the Profit Forecast and Profit Projection and the Reporting Auditors' Report on the Unaudited Pro Forma Consolidated Financial Information found in Appendix A and Appendix B of this Prospectus, respectively.

SG&R Singapore Pte Ltd[1] and Colliers International Consultancy & Valuation (Singapore) Pte. Ltd., the Independent Valuers, were responsible for preparing the Independent Property Valuation Summary Reports in Appendix D of this Prospectus.

Jones Lang LaSalle Americas, Inc., the Independent Market Research Consultant, was responsible for preparing the Independent Hospitality Industry Report in Appendix E of this Prospectus.

KPMG Services Pte. Ltd., the Independent Tax Adviser, was responsible for preparing the Independent Taxation Report found in Appendix F of this Prospectus.

KPMG LLP (a Delaware limited liability partnership) was responsible for preparing the "United States Taxation Report" appended to the Independent Taxation Report found in Appendix F of this Prospectus.

The Reporting Auditors, the Independent Valuers, the Independent Market Research Consultant, the Independent Tax Adviser and KPMG LLP (the party responsible for preparing the "United States Taxation Report" appended to the Independent Taxation Report found in Appendix F of this Prospectus) have each given and have not withdrawn their written consents to the issue of this Prospectus with the inclusion herein of their names and their respective write-ups and reports and all references thereto in the form and context in which they respectively appear in this Prospectus, and to act in such capacity in relation to this Prospectus.

None of Allen & Gledhill LLP, Proskauer Rose LLP, Allen & Overy LLP and Shook Lin & Bok LLP makes, or purports to make, any statement in this Prospectus and none of them is aware of any statement in this Prospectus which purports to be based on a statement made by it and it makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this Prospectus.

1 SG&R Singapore Pte Ltd is the Singapore entity of HVS.

GENERAL INFORMATION

RESPONSIBILITY STATEMENT BY THE DIRECTORS

(1) The REIT Manager Directors and the Trustee-Manager Directors (together, the "**Directors**") collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Offering, EHT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Prospectus misleading, and the Directors are satisfied that the Profit Forecast and Profit Projection has been stated after due and careful inquiry. Where information in the Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, 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 Prospectus in its proper form and context.

MATERIAL BACKGROUND INFORMATION

(2) There are no legal or arbitration proceedings pending or, so far as the Directors are aware, threatened against the Managers the outcome of which, in the opinion of the Managers, as the case may be, may have or have had during the 12 months prior to the date of this Prospectus, a material adverse effect on the financial position of the Managers.

(3) There are no legal or arbitration proceedings pending or, so far as the Directors are aware, threatened against EH-REIT and/or EH-BT the outcome of which, in the opinion of the Directors, as the case may be, may have or have had during the 12 months prior to the date of this Prospectus, a material adverse effect on the financial position (on a pro forma basis) of EH-REIT and/or, as the case may be, EH-BT.

(4) The name, age and address of each of the Directors are set out in "Management and Corporate Governance – EHT – The REIT Manager Board" and "Management and Corporate Governance – EHT – The Trustee-Manager Board". A list of the present and past directorships of each director and executive officer of the Managers over the last five years preceding the Latest Practicable Date is set out in Appendix H, "List of Present and Past Principal Directorships of Directors and Executive Officers of the Managers".

(5) There is no family relationship among the directors and executive officers of the Managers.

(6) There have been no public takeover offers by third-parties in respect of the EH-BT Units or by the Trustee-Manager in respect of the shares of a corporation or the units of another business trust, that have occurred between 11 April 2019, being the date of constitution of EH-BT, and up to the Latest Practicable Date.

(7) None of the directors, executive officers or controlling shareholders of the Managers, or the controlling Stapled Securityholder is or was involved in any of the following events:

   (a) at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;

(b) at any time during the last 10 years, an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he 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 that entity is the trustee of a business trust, that business trust, on the ground of insolvency, saved as disclosed in Appendix H, "List of Present and Past Principal Directorships of Directors and Executive Officers of the Managers";

(c) any unsatisfied judgment against him;

(d) a conviction 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 is aware) for such purpose;

(e) a conviction 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 is aware) for such breach;

(f) at any time during the last 10 years, judgment been entered against him 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 part, or any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;

(g) a conviction in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

(h) disqualification from acting as a director or an equivalent person of any entity (including the trustee of a business trust) in any jurisdiction, or from taking part directly or indirectly in the management of any entity or business trust in any jurisdiction;

(i) any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(j) to his 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

(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 was so concerned with the entity or business trust; or

(k) 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.

EXCHANGE CONTROLS

(8) Other than as described in the section "Exchange Rate Information and Exchange Controls" of this Prospectus, as at the date of this Prospectus, there is no governmental law, decree or regulatory requirement which may affect the repatriation of capital and the remittance of profits by or to the REIT Manager and/or the Trustee-Manager.

MATERIAL CONTRACTS

(9) The dates of, parties to, and general nature of every material contract which the REIT Trustee and its subsidiaries has entered into within the two years preceding the date of this Prospectus (not being contracts entered into in the ordinary course of the business of EHT) are as follows:

(a) the EH-REIT Trust Deed;

(b) the Stapling Deed;

(c) the Securities Purchase Agreement;

(d) the HW ROFR;

(e) the TW ROFR; and

(f) the Master Lease Agreements.

(10) The dates of, parties to, and general nature of every material contract which the Trustee-Manager has entered into within the two years preceding the date of this Prospectus (not being contracts entered into in the ordinary course of the business of EHT) are as follows:

(a) the EH-BT Trust Deed;

(b) the Stapling Deed;

(c) the HW ROFR;

(d) the TW ROFR; and

(e) the subscription agreements entered into between the Managers and the Cornerstone Investors to subscribe for the Cornerstone Stapled Securities (the "**Cornerstone Subscription Agreements**").

DOCUMENTS FOR INSPECTION

(11) Copies of the following documents are available for inspection at the registered office of the REIT Manager at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 and of the Trustee-Manager at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 for a period of six months from the date of this Prospectus:

(a) the material contracts referred to in paragraphs 9 and 10 above, save for the Deeds (which will be available for inspection for so long as EH-REIT and EH-BT are in existence);

(b) the Reporting Auditors' Report on the Profit Forecast and Profit Projection as set out in Appendix A of this Prospectus;

(c) the Reporting Auditors' Report on the Unaudited Pro Forma Consolidated Financial Information as set out in Appendix B of this Prospectus;

(d) the Independent Property Valuation Summary Reports as set out in Appendix D of this Prospectus as well as the full valuation reports for each of the Properties;

(e) the Independent Hospitality Industry Report as set out in Appendix E of this Prospectus;

(f) the Independent Taxation Report as set out in Appendix F of this Prospectus;

(g) the written consents of the Reporting Auditors, the Independent Valuers, the Independent Market Research Consultant, the Independent Tax Adviser and KPMG LLP (the party responsible for preparing the "United States Taxation Report" appended to the Independent Taxation Report found in Appendix F of this Prospectus) (see "Experts" for further details); and

(h) the Depository Terms and Conditions.

CONSENTS OF THE SOLE FINANCIAL ADVISER AND ISSUE MANAGER, THE JOINT GLOBAL COORDINATORS AND THE JOINT BOOKRUNNERS AND UNDERWRITERS

(12) DBS Bank Ltd. has given and not withdrawn its written consent to being named in this Prospectus as the Sole Financial Adviser and Issue Manager to the Offering.

(13) DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd., UBS AG, Singapore Branch and BNP Paribas, acting through its Singapore branch have each given and have not withdrawn their written consent to being named in this Prospectus as the Joint Global Coordinators to the Offering.

(14) DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd., UBS AG, Singapore Branch, BNP Paribas, acting through its Singapore branch, Deutsche Bank AG, Singapore Branch and Jefferies Singapore Limited have each given and have not withdrawn their written consent to being named in this Prospectus as the Joint Bookrunners and Underwriters to the Offering.

WAIVERS/CONFIRMATIONS FROM THE SGX-ST

(15) The Managers have obtained from the SGX-ST waivers from compliance with the following listing rules under the Listing Manual:

(a) Rule 404(3)(a), which requires the REIT to limit its investments in companies which are related to the investment fund's substantial shareholders, investment managers or management companies, to a maximum of 10% of gross assets; and Rule 404(3)(c) which requires the REIT to restrict investments in unlisted securities to 30% of gross assets, subject to compliance with (i) the requirements under Chapter 9 of the Listing Manual, (ii) the Code on Collective Investment Schemes, and (iii) the BTA;

(b) Rule 404(5), which requires the management company to be reputable and have an established track record in managing investments, subject to the management teams in the Managers, having the relevant experience as required under Rule 404(6);

(c) Rule 407(4), which requires the submission of the financial track record of the investment manager, the investment adviser and the persons employed by them subject to the management teams in the Managers having the relevant experience as required under Rule 404(6); and

(d) Rule 748(1), which requires an investment fund to announce via SGXNET its net tangible assets per unit at the end of each week, subject to EHT announcing its NAV per Stapled Security on a quarterly basis via SGXNET.

(16) The Managers have obtained confirmation from the SGX-ST that it has no comments on EHT's compliance with the following listing rules under the Listing Manual:

(a) Rule 409(3), which requires the annual accounts of EHT for the last three financial years to be submitted to the SGX-ST, subject to the disclosure in the Prospectus of (i) the unaudited pro forma statement of comprehensive income for the financial years ended 31 December 2016, 31 December 2017 and 31 December 2018 (excluding the ASAP6 Portfolio); (ii) an unaudited pro forma balance sheet as at the Listing Date; (iii) the unaudited pro forma statement of cash flows for the financial year ended 31 December 2018 (excluding the ASAP6 Portfolio); (iv) a profit forecast for the Forecast Period 2019 and a profit projection for the Projection Year 2020; and (v) the reasons for which EHT is unable to provide the three years of historical pro forma financial information in relation to the Initial Portfolio; and

(b) Rule 609(b), which requires the pro forma income statement or statement of comprehensive income to be presented for the latest three financial years and for the most recent interim period as if EHT had been in existence at the beginning of the period reported on for the ASAP6 Portfolio, subject to the disclosure in the Prospectus of (i) the unaudited pro forma statement of comprehensive income for the financial years ended 31 December 2016, 31 December 2017 and 31 December 2018 (excluding the ASAP6 Portfolio); (ii) an unaudited pro forma balance sheet as at the Listing Date; (iii) the unaudited pro forma statement of cash flows for the financial year ended 31 December 2018 (excluding the ASAP6 Portfolio); (iv) a profit forecast for the Forecast Period 2019 and a profit projection for the Projection Year 2020; and (v) the reasons for which EHT is unable to provide the three years of historical pro forma financial information in relation to the ASAP6 Portfolio.

WAIVERS FROM THE MAS

(17) The MAS has granted the Trustee-Manager waivers from compliance with the following:

(a) an exemption for the Trustee-Manager from compliance with Section 10(2)(a) of the BTA to the extent that Section 10(2)(a) of the BTA requires the Trustee-Manager to act in the best interests of the EH-BT Unitholders as a whole only, and an exemption for the Trustee-Manager Directors from compliance with Section 11(1)(a) of the BTA to the extent that Section 11(1)(a) of the BTA requires the Trustee-Manager Directors to take reasonable steps to ensure that the Trustee-Manager acts in the best interests of the EH-BT Unitholders as a whole only, in each case subject to the conditions that (i) the Trustee-Manager shall ensure that the EH-BT Units remain stapled to the EH-REIT Units, and (ii) the Trustee-Manager and the Trustee-Manager Directors shall act in the best interests of all the Stapled Securityholders as a whole;

(b) Section 15(1) of the BTA to the extent that Section 15(1) of the BTA requires an audit committee to be constituted, subject to the conditions that (i) the exemption shall only be in effect for so long as EH-BT is dormant, and (ii) immediately upon the Trustee-Manager becoming aware that EH-BT will become active, the Trustee-Manager shall ensure that an audit committee in compliance with the requirements of the BTA and the BTR is constituted before EH-BT becomes active; and

(c) Regulation 12(1) of the BTR to the extent that the non-compliance with Regulation 12(1) of the BTR is due to any Trustee-Manager Director being considered to be not independent from management and business relationships with the Trustee-Manager or from any substantial shareholder of the Trustee-Manager solely by virtue of such Trustee-Manager Director also being a director of the REIT Manager, subject to the following conditions:

(i) the EH-BT Units remain stapled to the EH-REIT Units; and

(ii) the Stapling Deed shall contain covenants binding the Managers to exercise all due diligence and vigilance to safeguard the rights and interests of the Stapled Securityholders in the event of a conflict of interest between the Managers and their respective shareholders, and that of the Stapled Securityholders.

For the purposes of this paragraph (17)(c), a director shall not be considered independent from a substantial shareholder if he is also a director of a subsidiary or an associated company of the substantial shareholder (where the subsidiary or associated company is not the Trustee-Manager or the REIT Manager).

(18) The MAS has granted the REIT Manager waiver from compliance with the following:

(a) an exemption for the REIT Manager from compliance with Section 286(10A) of the SFA to the extent that Section 286(10A) of the SFA requires the REIT Manager to act in the best interests of the EH-REIT Unitholders as a whole only, and an exemption for the REIT Manager Directors from compliance with Section 286(10B)(a) of the SFA to the extent that Section 286(10B)(a) of the SFA requires the REIT Manager Directors to take reasonable steps to ensure that the REIT Manager acts in the best interest of the EH-REIT Unitholders as a whole only, in each case subject to the conditions that (i) the REIT Manager shall ensure that the EH-REIT Units remain stapled to the EH-BT Units, and (ii) the REIT Manager and the REIT Manager Directors shall act in the best interests of all the Stapled Securityholders as a whole; and

(b) paragraph 4.3 of the Property Funds Appendix for financial statements of EH-REIT to be prepared in accordance with Chapter 5.1.1 of the CIS Code.

MISCELLANEOUS

(19) The financial year-end of EHT, EH-REIT and EH-BT is 31 December.

(20) While EHT is listed on the SGX-ST, investors may check the SGX-ST website http://www.sgx.com for the prices at which the Stapled Securities are being traded on the SGX-ST. Investors may also check one or more major Singapore newspapers such as *The Straits Times, The Business Times* and *Lianhe Zaobao* for the price range within which the Stapled Securities were traded on the SGX-ST on the preceding day.

(21) There is no arrangement or understanding with a Substantial Shareholder of the Trustee-Manager, Substantial Unitholder of EH-BT, customer or supplier of the Trustee-Manager, pursuant to which any Trustee-Manager Director or any executive officer of EH-BT was selected as a director or executive officer of EH-BT.

(22) There have been no public take-over offers by third parties in respect of the Stapled Securities or by the Trustee-Manager in respect of the shares of a corporation or the units of another business trust, prior to the Latest Practicable Date.

(23) There is no known arrangement the operation of which may at a subsequent date, result in a change of control in the Trustee-Manager.

(24) A full valuation of each of the real estate assets held by EH-REIT will be carried out at least once a year in accordance with the Property Funds Appendix. Generally, where EHT proposes to issue new Stapled Securities or to redeem existing Stapled Securities, or (in the event that Unstapling has occurred), EH-REIT proposes to issue new EH-REIT Units or to redeem existing EH-REIT Units, and the assets held by EH-REIT were valued more than six months ago, the REIT Manager should exercise discretion in deciding whether to conduct a desktop valuation of the real estate assets held by EH-REIT, especially when market conditions indicate that real estate values have changed materially. The REIT Manager or the REIT Trustee may at any other time arrange for the valuation of any of the real estate assets held by EH-REIT if it is of the opinion that it is in the best interest of Stapled Securityholders to do so.

(25) The REIT Manager does not intend to receive soft dollars (as defined in the CIS Code) in respect of EH-REIT. Save as disclosed in this Prospectus, unless otherwise permitted under the Listing Manual, neither the REIT Manager, the Trustee-Manager nor any of their associates will be entitled to receive any part of any brokerage charged to EH-REIT or EH-BT, or any part of any fees, allowances or benefits received on purchases charged to EH-REIT or EH-BT.

TREND INFORMATION AND PROFIT FORECAST

(26) Save as disclosed under the sections entitled "Risk Factors", "Capitalisation and Indebtedness", "Profit Forecast and Profit Projection", "Strategy" and "Business and Properties" of this Prospectus, the financial condition and operations of EHT is not likely to be affected by any of the following:

(a) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in EHT's liquidity increasing or decreasing in any material way;

(b) material commitments for capital expenditure;

(c) unusual or infrequent events or transactions or any insignificant economic changes that materially affects the amount of reported income from operations; and

(d) known trends or uncertainties that have had or that EHT reasonably expects will have a material favourable or unfavourable impact on revenues or operating income.

(27) Due to the nature of the business of EHT, an order book is not maintained.

267A Proposed Regulations	The proposed regulations pursuant to Section 267A of the Tax Cuts and Jobs Act released by the IRS
3 Year Term Loan Facility	USD Term Loan Facility of approximately US$134 million with loan maturity of three years obtained from the Facilities Lenders
4 Year Term Loan Facility	USD Term Loan Facility of approximately US$104 million with loan maturity of four years obtained from the Facilities Lenders
5 Year Term Loan Facility	USD Term Loan Facility of approximately US$104 million with loan maturity of five years obtained from the Facilities Lenders
Accordion Facilities	An accordion feature under the New Facilities Agreements pursuant to which an additional US$250 million of Loan Facilities may be obtained
Adjustments	Adjustments which are charged or credited to the consolidated profit and loss account of EH-REIT or EH-BT, including the audited net profits of the SPVs held by the EH-REIT or EH-BT (as applicable) for the Financial Year to be pro-rated where applicable to the portion of the EH-REIT or EH-BT interest in the relevant SPV) for the relevant financial year or the relevant distribution period (as the case may be), including but not limited to (i) differences between cash and accounting gross revenue, (ii) unrealised income or loss, including property revaluation gains or losses, and provision or reversals of impairment provisions; (iii) deferred tax charges/credits; (iv) negative goodwill; (v) differences between cash and accounting finance and other costs; (vi) realised gains or losses, including gains or losses on the disposal of properties and disposal/settlement of financial instruments/assets/liabilities; (vii) the portion of the Management Fee, acquisition fee, divestment fee and development management fee that are paid or payable in the form of Stapled Securities; (viii) costs of any public or other offering of Stapled Securities or convertible instruments that are expensed but are funded by proceeds from the issuance of such Stapled Securities or convertible instruments; (ix) depreciation and amortisation in respect of the properties and their ancillary machines, equipment and other fixed assets; (x) adjustment for amortisation of rental incentives; (xi) other non-cash or timing differences related to income or expenses; (xii) differences between the audited and unaudited financial statements for the previous Financial Year; (xiii) other charges or credits (in each case from (i) to (xiii) as deemed appropriate by the REIT Manager or Trustee-Manager (as applicable)); and (xiv) any other such adjustments as deemed appropriate by the REIT Manager or Trustee-Manager (as applicable)
Administrative Agent	The administrative agent for the Facilities Lenders

Adopted Value	The adopted value of each Property, which is the independent valuation by HVS (as at 31 December 2018)
Aggregate Leverage	The ratio of EH-REIT's total borrowings (including deferred payments for assets whether to be settled in cash or in EH-REIT Units) to the value of the EH-REIT Deposited Property
Aggregate Purchase Consideration	The aggregate purchase consideration agreed between EH-REIT and the Vendors for the purchase of all the Properties comprising the Initial Portfolio
Aggregate Purchase Price	The purchase price paid by EH-REIT to the Vendors for the acquisition of the interests in the Initial Portfolio
Agreed CIF Plan	The CIF plan approved by the relevant Master Lessor
Annual Distributable Income	The amount calculated by the REIT Manager and Trustee-Manager (based on the audited financial statements of EH-REIT or EH-BT (as applicable) for that Financial Year) as representing the consolidated net profit after tax of the EH-REIT or EH-BT (which includes the audited net profits of the SPVs held by EH-REIT or EH-BT (as applicable) for the Financial Year, to be pro-rated where applicable to the portion of EH-REIT's or EH-BT's interest in the relevant SPV) for the Financial Year, 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 Financial Year
Application Forms	The printed application forms to be used for the purpose of the Offering and which form part of this Prospectus
Application List	The list of applicants subscribing for the Stapled Securities which are the subject of the Public Offer
ASAP Mortgage Borrowers	6780 Southwest FWY, Houston, LLC, 14315 Midway Road Addison LLC and 44 Inn America Woodbridge Associates, L.L.C.
ASAP Mortgage Loan Lenders	(i) Wilmington Trust, National Association, as trustee for the benefit of the registered holders of Wells Fargo Commercial Mortgage Trust 2017-C41, Commercial Mortgage Pass-Through Certificates, Series 2017-C41, in relation to the Hilton Houston Galleria Area; (ii) Wilmington Trust, National Association, as trustee, for the benefit of holders of Benchmark 2018-B4 Mortgage Trust Commercial Mortgage Pass-Through Certificates, Series 2018-B4, in relation to the Crowne Plaza Dallas Near Galleria-Addison; and (iii) Wells Fargo Bank in relation to the Renaissance Woodbridge
ASAP Mortgage Loans	Approximately US$78 million of mortgage loans which are secured against (i) Renaissance Woodbridge; (ii) Hilton Houston Galleria Area; and (iii) Crowne Plaza Dallas Near Galleria-Addison

ASAP6 Holdcos	The entities directly holding the properties in the ASAP6 Portfolio
ASAP6 Portfolio	The Properties comprising (i) Sheraton Denver Tech Center, (ii) Crowne Plaza Dallas Near Galleria-Addison, (iii) Hilton Houston Galleria Area, (iv) Renaissance Woodbridge, (v) Doubletree by Hilton Salt Lake City Airport and (vi) Hilton Atlanta Northeast
ASAP6 Portfolio Vendors	MWCI, LLC and CWCI, LLC
associate	Has the meaning ascribed to it in the Listing Manual
associated company	Has the meaning ascribed to it in the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018
associated entity	Has the meaning ascribed to it in the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018
ATI	Adjusted taxable income of a business
ATM	Automated teller machine
Authorised Investments	Has the meaning ascribed to it in the Deeds
Authority or **MAS**	Monetary Authority of Singapore
Available Hotel Rooms	Number of available hotel rooms in a hotel less permanent house use hotel rooms
Average Daily Rate or **ADR**	Total room revenue divided by the total number of paid occupied hotel rooms
Average Occupancy Rate	The percentage of hotel rooms sold for a particular period out of the Available Hotel Rooms respectively for the relevant period
Base Fee	10.0% per annum of the Annual Distributable Income
BBP Lessor	Each entity that owns and leases a Borrowing Base Property as subsidiary guarantor, under the credit agreement for the Facilities
BEAT	Base erosion and anti-abuse tax
Borrowing Base Properties	The three Hotels encumbered by the ASAP Mortgage Loans, namely – the Crowne Plaza Dallas Near Galleria-Addison, Hilton Houston Galleria Area and Renaissance Woodbridge
BTA	Business Trusts Act, Chapter 31A of Singapore
BTR	Business Trusts Regulations

Business Day	Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading
Cap Ex Notes	Promissory notes to subsidiaries of EH-REIT pursuant to the Securities Purchase Agreement with respect to the estimated US$3.2 million of outstanding capital expenditure amount
Cayman Corp 1	EHT Cayman Corp Ltd., an exempted company incorporated in the Cayman Islands and wholly owned by SG Lending Sub
Cayman Corp 2	CI Hospitality Investment, LLC, a limited liability company registered in the Cayman Islands and wholly owned by US Corp
Cayman LLCs	ASAP Cayman Atlanta Hotel, LLC, ASAP Cayman Salt Lake City LLC, ASAP Cayman Denver Tech, LLC, ASAP Cayman Dallas Galleria, LLC, ASAP Cayman Houston Galleria, LLC and ASAP Cayman Woodbridge Hotel LLC
CBD	Central Business District
CDP	The Central Depository (Pte) Limited
CFIUS	Committee on Foreign Investments in the United States
CIF Contribution	The amount contributed by the Master Lessee to the CIF Reserve, determined based on the amount equal to the greatest of (i) a pre-determined percentage of Gross Room Revenue (or Gross Operating Revenue with respect to Renaissance Woodbridge and the Queen Mary Long Beach), (ii) the amounts actually required (and not waived) by the Hotel Franchisor under the Franchise Agreement with respect to CIF Works (but excluding any major capital improvements) and (iii) the amounts actually required (and not waived) by the lender(s) under any indebtedness whose covenants apply to the premises with respect to CIF Works (but excluding any major capital improvements) (or a good faith estimation thereof as determined by the Master Lessor)
CIF Reserve	An amount equivalent to the CIF Contribution (subject to receipt of the CIF Contribution from the Master Lessee) set aside in the reserve established for the purpose of funding the CIF Works by the Master Lessor at each fiscal quarter
CIF Works	The anticipated acquisition, repair, alteration, improvement and replacement of the Plant, Services Infrastructure (as defined in the Master Lease Agreement) and FF&E (including capital improvements and any PIP or other work required with respect to the Franchise Agreements)
CIS Code	The Code on Collective Investment Schemes issued by the MAS
CMS Licence	The capital markets services licence for REIT management

Colliers	Colliers International Consultancy & Valuation (Singapore) Pte. Ltd.
Companies Act	Companies Act, Chapter 50 of Singapore
Company Secretary	The company secretary of the REIT Manager and the Trustee-Manager
Condemnor	A public or quasi-public authority or private corporation or an individual, having the power of condemnation
Consideration Stapled Securities	The Stapled Securities received by the Vendors in satisfaction of the purchase consideration for the USHI Portfolio and the ASAP6 Portfolio
controlling shareholder	Has the meaning ascribed to it in the Listing Manual
controlling Stapled Securityholder	Has the meaning ascribed to it in the Listing Manual
Cornerstone Investors	DBS Bank Ltd., DBS Bank Ltd. (on behalf of certain wealth management clients), Gold Pot Developments Limited and Ji Qi
Cornerstone Stapled Securities	The 144,870,000 Stapled Securities subscribed for by the Cornerstone Investors pursuant to the Cornerstone Subscription Agreements
Cornerstone Subscription Agreements	The subscription agreements entered into between the Managers and the Cornerstone Investors to subscribe for the Cornerstone Stapled Securities
Corporate Guarantors	EH-REIT and US Corp
CPDG Reserve	A cash reserve of US$16.6 million
CPI	Consumer Price Index
Crestline	Crestline Hotels & Resorts, LLC
CRS	Common Reporting Standard
Deeds	The EH-REIT Trust Deed, EH-BT Trust Deed and Stapling Deed
Deloitte	Deloitte & Touche Enterprise Risk Services Pte. Ltd.
Depository Services Terms and Conditions	CDP's depository services terms and conditions in relation to the deposit of the EH-REIT Units and EH-BT Units in CDP
Development Project	In relation to EH-REIT, means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by EH-REIT, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting, addition and alteration and renovations works; and

	In relation to EH-BT, means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by EH-BT, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting, addition and alteration and renovations works
Directors	The REIT Manager Directors and the Trustee-Manager Directors
DPS	Distribution per Stapled Security
Due Care	The degree of care and diligence required of a trustee-manager of a registered business trust under the BTA
EH-BT	Eagle Hospitality Business Trust
EH-BT Trust Deed	The trust deed dated 11 April 2019 made by the Trustee-Manager constituting EH-BT
EH-BT Trust Property	The Trust Property of EH-BT
EH-BT Unit	An undivided interest in EH-BT as provided for in the EH-BT Trust Deed
EH-BT Unitholder	A holder of EH-BT Units
EH-BT Unit Issue Mandate	General mandate given by holders of EH-BT Units to allow the Managers to jointly issue Stapled Securities
EH-REIT	Eagle Hospitality Real Estate Investment Trust or as the case may be, Eagle Hospitality Real Estate Investment Trust and its subsidiaries
EH-REIT Debt Facilities	The New Term Loan Facilities, the Unsecured Loan and the ASAP Mortgage Loans
EH-REIT Deposited Property	The gross assets of EH-REIT, including all the Authorised Investments of EH-REIT for the time being held or deemed to be held by EH-REIT under the EH-REIT Trust Deed
EH-REIT Trust Deed	The trust deed dated 11 April 2019 constituting EH-REIT
EH-REIT Unit	An undivided interest in EH-REIT as provided for in the EH-REIT Trust Deed
EH–REIT Unitholder	A holder of EH-REIT Units
EH-REIT Unit Issue Mandate	General mandate given by holders of EH-REIT Units to allow the Managers to jointly issue Stapled Securities
EHT	Eagle Hospitality Trust, the hospitality stapled group comprising EH-REIT and EH-BT

Extraordinary Resolution	A resolution proposed and passed as such by a super-majority consisting of more than 75.0% of the total number of votes cast for and against such resolution at a meeting of the holders of EH-REIT Units or, as the case may be, EH-BT Units duly convened and held
Facilities	The New Term Loan Facilities and the Accordion Facilities
Facilities Lenders	Bank of America N.A. (or its affiliate), Bank of the West, Deutsche Bank AG New York Branch, DBS Bank Ltd. and UBS AG, Stamford Branch
Fair Market Value	The fair market value of the Master Lessee's leasehold interest in the remaining term of the Master Lease Agreement (including the option term) if it has been exercised
FATCA	United States Foreign Account Tax Compliance Act
Fee Arrangements	The fee arrangements of the REIT Manager and the REIT Trustee
FF&E	Furniture, fixtures and equipment
FFI Agreement	An agreement entered into by FFIs and the IRS
FFIs or **Foreign Financial Institutions**	Financial institutions outside the U.S.
First Lock-up Period	The period commencing from the date of issuance of the Stapled Securities until the date falling 6 months after the Listing Date (both dates inclusive)
Fixed Rent	The fixed rent under the terms of the Master Lease Agreements
Forecast Period 2019	The period commencing from 1 May 2019 and ending 31 December 2019
Founder Guarantors	Mr. Howard Wu and Mr. Taylor Woods
Founder ROFRs	The HW ROFR and the TW ROFR
Founders	Howard Wu and Taylor Woods, being the co-founders of the Sponsor
Franchise Agreement	A franchise agreement entered into between the Hotel Franchisor and the Master Lessee in relation to a Hotel
FSMA	Financial Services and Markets Act 2000
FY or **Financial Year**	The financial year ended or, as the case may be, ending 31 December
F&B	Food and beverage
GFA	Gross floor area

Gross Domestic Product or **GDP**	The gross domestic product
Gross Operating Profit or **GOP**	The gross operating profit of a Property, comprising Gross Operating Revenue less operating expenses
Gross Operating Revenue or **GOR**	The gross operating revenue of a Property
Group	EHT and/or any of its direct and indirect subsidiaries
GST	Goods and services tax
Guarantees	A customary non-recourse carve-out guarantee and environmental indemnity provided to the applicable ASAP Mortgage Loan Lender by the Guarantors
Guarantors	The Corporate Guarantors and the Founder Guarantors
Hotel Franchisors	The third party hotel brand companies which exclusively own certain trademarks or brands
Hotel Licences	Licences relating to the operation and use of the Property or the operation of the Hotel in a particular state
Hotel Management Agreement	A hotel management agreement entered into between the Master Lessee and the Hotel Manager in relation to a Hotel
Hotel Manager	A third party hotel management company which manages the day-to-day operations of a Hotel
Hotels	The eighteen hotels comprising Sheraton Pasadena; Holiday Inn Hotel & Suites Anaheim; Embassy Suites by Hilton Anaheim North; Holiday Inn Hotel & Suites San Mateo; Four Points by Sheraton San Jose Airport; The Westin Sacramento; Embassy Suites by Hilton Palm Desert; The Queen Mary Long Beach; Renaissance Denver Stapleton; Holiday Inn Denver East – Stapleton; Sheraton Denver Tech Center; Holiday Inn Resort Orlando Suites – Waterpark; Crowne Plaza Dallas Near Galleria-Addison; Hilton Houston Galleria Area; Renaissance Woodbridge; Crowne Plaza Danbury; Doubletree by Hilton Salt Lake City Airport; and Hilton Atlanta Northeast
HVS	SG&R Singapore Pte Ltd
HWHI	Hilton Worldwide Holdings, Inc.
HW ROFR	The ROFR granted by Howard Wu to the REIT Trustee and the Trustee-Manager
HW SPVs	SPV1, SPV2 and SPV3
HW SPVs Shares	Shares in the HW SPVs
IACC	International Association of Conference Centres

IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, Chapter 134 of Singapore
Indemnified Guarantee	The Guarantees and the Partial Recourse Guarantee
Independent Market Research Consultant	Jones Lang LaSalle Americas, Inc.
Independent Tax Adviser	KPMG Services Pte. Ltd.
Independent Valuers	Colliers and HVS
Initial Portfolio	The initial portfolio of EHT
Instruments	Offers, agreements or options
Interest Differential Amount	The interest differential amount of US$4.8 million
Interest Differential Note	A promissory note to subsidiaries of EH-REIT pursuant to the Securities Purchase Agreement
Interested Party	Has the meaning ascribed to it in the Property Funds Appendix
Interested Party Transaction	Has the meaning ascribed to it in the Property Funds Appendix
Interested Person	Has the meaning ascribed to it in the Listing Manual
Interested Person Transaction	Has the meaning ascribed to it in the Listing Manual
IRAS	Inland Revenue Authority of Singapore
IRC	United States Internal Revenue Code of 1986, as amended
IRS	United States Internal Revenue Service
Joint Bookrunners and Underwriters or **Joint Bookrunners**	DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd., UBS AG, Singapore Branch, BNP Paribas, acting through its Singapore branch, Deutsche Bank AG, Singapore Branch and Jefferies Singapore Limited
Joint Global Coordinators	DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd., UBS AG, Singapore Branch and BNP Paribas, acting through its Singapore branch
Key Principal Cessation Event	The event where any two of Howard Wu, Taylor Woods or Salvatore Takoushian (i) dies or becomes disabled or (ii) otherwise ceases to be active on a daily basis in the management of EH-REIT or EH-BT.
KPMG LLP (US)	KPMG LLP (a Delaware limited liability partnership), the party responsible for preparing the "United States Taxation Report" found in Appendix F of this Prospectus

Latest Practicable Date	22 April 2019, being the latest practicable date prior to the lodgement of this Prospectus with the MAS
LIBOR	London Inter-bank Offered Rate
Listing Date	The date of admission of the Stapled Securities to the Official List of the SGX-ST
Listing Manual	The Listing Manual of the SGX-ST
Liquor Licences	Licences relating to the sale of alcohol on the premises of the Hotels
Lock-up Period	The First Lock-up Period and the Second Lock-up Period
Lock-up Stapled Securities	The Stapled Securities which the relevant person (being the SPV1, the SPV2, the SPV3, the SPV4, the SPV5, Howard Wu, Taylor Woods or Salvatore G. Takoushian, as the case may be) entering into the lock-up arrangement legally and/or beneficially, directly and/or indirectly, owns on the Listing Date.
Management Fees	The management fees of the Managers, comprising the Base Fee and Performance Fee
Managers	The REIT Manager and the Trustee-Manager
Mandatory Training	Mandatory training with the Singapore Institute of Directors in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST
Market Day	A day on which the SGX-ST is open for trading in securities
Market price	(i) The volume weighted average price per Stapled Security (if applicable, of the same class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which EHT is listed, in the ordinary course of trading, for the period of 10 Business Days (or such other period as prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day, or (ii) where the Managers believe that such market price is not a fair reflection of the market price of a Stapled Security, such amount as determined by the Managers, as being the fair market price of a Stapled Security
Master Lease Agreement	The master lease agreement to be entered into between the subsidiary of EH-REIT that directly owns a property and the relevant Master Lessee
Master Lessees	The master lessees of the Properties
Master Lessors	The master lessors of the Properties\

MSA or **Metropolitan Statistical Areas**	Metropolitan statistical areas in the United States of America, as delineated by the United States Office of Management and Budget
MTI	Modified taxable income
NAV	Net asset value
Net Property Income or **NPI**	Consists of Revenue less Property Expenses
New Term Loan Facilities	The 3 Year Term Loan Facility, 4 Year Term Loan Facility and 5 Year Term Loan Facility
NRC	Nominating and Remuneration Committee
Offering	The initial public offering of 580,558,000 Stapled Securities by the Managers for subscription at the Offering Price under the Placement Tranche and the Public Offer
Offering Price	US$0.78 per Stapled Security
Operating equipment	Items customarily referred to as "operating equipment" in the hotel industry, including but not limited to glassware, silverware, cutlery, chinaware, crockery, linen and uniforms as well as all those items generally required for the day-to-day operation of a hotel
Ordinary Resolution	A resolution proposed and passed as such by a majority consisting of more than 50.0% of the total number of votes cast for and against such resolution at a meeting of the holders of EH-REIT Units or, as the case may be, EH-BT Units duly convened and held
Over-Allotment Option	An option granted by the Stapled Security Lender to the Stabilising Manager to acquire from the Stapled Security Lender up to an aggregate of 37,500,000 Stapled Securities at the Offering Price, solely to cover the over-allotment of Stapled Securities (if any)
Partial Recourse Guarantee	A partial recourse guarantee of the original principal amount with respect to the mortgage loan secured by Renaissance Woodbridge
Participating Banks	DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited
PDPA	Personal Data Protection Act 2012, Singapore Act No. 26 of 2012
Performance Fee	25.0% per annum of the difference in DPS in a financial year with the DPS in the preceding financial year multiplied by the weighted average number of Stapled Securities in issue for such financial year of EH-REIT in the relevant financial year
PIP	Property improvement plan in respect of a Property

Placement Tranche	The international placement of 535,687,000 Stapled Securities to investors, including institutional and other investors in Singapore pursuant to the Offering
PMI	Purchasing Managers' Index
Portfolio Interest Exemption	An exemption from 30% US withholding tax attributable to such Stapled Securityholder's distributive share of the interest payments from US Corp to Cayman Corp 1 pursuant to intercompany loans from Cayman Corp 1 to US Corp
Portfolio Interest Exemption Limit	A direct or indirect ownership (including constructive ownership) of 10% or more of the outstanding Stapled Securities by a Stapled Securityholder
Pro Forma Group	EH-REIT and its subsidiaries
Profit Forecast and Profit Projection	The forecast and projected results of EHT for Forecast Period 2019 and Projection Year 2020 respectively
Projection Year 2020	The full financial year ending 31 December 2020
Properties	The Hotels
Property Expenses	Comprises (i) property tax on each Property, (ii) insurance expenses on each Property and (iii) other property expenses
Property Funds Appendix	Appendix 6 to the CIS Code issued by the Authority in relation to REITs
Public Offer	The offering of 44,871,000 Stapled Securities at the Offering Price to the public in Singapore pursuant to the Offering
Purchase Consideration	The purchase consideration agreed between EH-REIT and the Vendors for the purchase of a Property in the Initial Portfolio
Pyramid	Pyramid Advisors Limited Partnership and its affiliates
Queen Mary Ground Lease	The ground lease negotiated by the Sponsor with the City of Long Beach, as well as the two other ground leases for adjacent land and water from the City of Long Beach and/or Port of Long Beach.
Recognised Stock Exchange	Any stock exchange of repute in any part of the world
Registered Business Trusts	Business trusts registered with the MAS
Regulation S	Regulation S under the Securities Act
REIT	Real estate investment trust
REIT Manager	Eagle Hospitality REIT Management Pte. Ltd., in its capacity as manager of EH-REIT
REIT Manager Audit and Risk Committee	The audit and risk committee of the REIT Manager

REIT Manager Board	The board of directors of the REIT Manager
REIT Manager Directors	The directors of the REIT Manager
REIT Manager US Services Agreement	The services agreement entered into between the REIT Manager, the REIT Manager US Sub and US Corp for the performance of activities within the United States
REIT Manager US Sub	Wholly-owned subsidiary in the US incorporated by the REIT Manager
REIT Trustee	DBS Trustee Limited, in its capacity as trustee of EH-REIT
Related Party	Refers to an Interested Person and/or, as the case may be, Interested Party
Related Party Transactions	Refers to an Interested Person Transaction and/or, as the case may be, Interested Party Transaction
Reporting Auditors	KPMG LLP
Required Lenders	The Facilities Lenders holding more than 50% of the commitments and loans under the Facilities
Revenue	The revenue of a Property comprising the rental payment under the respective Master Lease Agreement, which consists of a Fixed Rent and a Variable Rent
RevPAR	Revenue per Available Hotel Room (excluding permanent house use hotel rooms)
RW Mortgage Loan	The existing mortgage loan secured by the Renaissance Woodbridge
Second Lock-up Period	The period immediately following the First Lock-up Period until the date falling 12 months after the Listing Date
Securities Account	Securities account or sub-account maintained by a Depositor (as defined in Section 81SF of the SFA) with CDP
Securities Act	U.S. Securities Act of 1933, as amended
Securities Purchase Agreement	The securities purchase agreement between the REIT Trustee, U.S. Hospitality Investments, LLC, MWCI, LLC and CWCI, LLC for the acquisition of the Initial Portfolio (as supplemented)
Settlement Date	The date and time on which the Stapled Securities are issued as settlement under the Offering
SFA	Securities and Futures Act, Chapter 289 of Singapore
SG Corp	Eagle Hospitality Trust S1 Pte. Ltd., a newly incorporated Singapore company wholly-owned by EH-REIT
SG Lending Sub	Eagle Hospitality Trust S2 Pte. Ltd., a newly incorporated Singapore company wholly-owned by EH REIT

SGX-ST	Singapore Exchange Securities Trading Limited
Singapore CRS Regulations	Income Tax (International Tax Compliance Agreements) (Common Reporting Standard) Regulations 2016
Singapore IGA Legislation	The legislation regarding intergovernmental agreements between the United States and the Singapore government for the implementation of FATCA
Sole Financial Adviser and Issue Manager	DBS Bank Ltd.
Sponsor	Urban Commons, LLC
Sponsor Initial Stapled Securities	The two Stapled Securities in issue as at the date of this Prospectus
Sponsor Stapled Securities	The Sponsor Initial Stapled Securities and the Consideration Stapled Securities
SPV	Special purpose vehicle
SPV1	Fortress Empire Group Ltd
SPV2	Vertical Gain Investments Inc
SPV3	Dragonbay Fortune Inc
SPV4	Regal Empire Ventures Ltd
SPV4 Shares	Shares in SPV4
SPV5	Empress Star Ventures Inc
SPV5 Shares	Shares in SPV5
Sq ft	Square feet
Sq m	Square metres
Stabilising Manager	DBS Bank Ltd.
Stapled Group	EHT, EH-REIT, EH-BT and their respective subsidiaries
Stapled Securities	Stapled Securities in EHT, each comprising one unit in EH-REIT and one unit in EH-BT stapled together under the terms of the Stapling Deed
Stapled Security Lending Agreement	The stapled security lending agreement entered into between the Stabilising Manager and the Stapled Security Lender dated 16 May 2019 in connection with the Over-Allotment Option
Stapled Securityholders	The holders of the Stapled Securities
Stapled Security Issue Mandate	The authority given to the Managers to issue Stapled Securities

Stapled Security Lender	SPV1
Stapling Deed	The stapling deed dated 11 April 2019 entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager
Subsidiary	Has the meaning ascribed thereto in the Companies Act
Substantial holders of EH-BT Units	Holders of EH-BT Units with an interest in one or more EH-BT Units constituting not less than 5.0% of all EH-BT Units in issue
Substantial holders of EH-REIT Units	Holders of EH-REIT Units with an interest in one or more EH-REIT Units constituting not less than 5.0% of all EH-REIT Units in issue
Substantial Shareholder	Any shareholder with an interest in not less than 5.0% of the shares in issue
Substantial Stapled Securityholders	Any Stapled Securityholder with an interest in one or more Stapled Securities constituting not less than 5.0% of all Stapled Securities in issue
Take-over Code	The Singapore Code on Take-overs and Mergers
Target Market Assessment	A product approval process which has determined that the Stapled Securities in the Offering are (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II
Tax Ruling	The advance tax ruling from IRAS in relation to certain Singapore income tax treatment of the income of SG Corp, SG Lending Sub, EH-REIT and Stapled Securityholders
Taxable Income	Income ascertained to be chargeable to tax in accordance with the provisions of the Income Tax Act, after deduction of allowable expenses and applicable tax allowances
Third Party ASAP6 Portfolio Vendors	The existing third party owners of the ASAP6 Portfolio
Third Party Financial Institution	A commercial bank in the U.S. which is unrelated to the Offering and will be issuing standby letters of credit for the benefit of the Master Lessors
Total Issue Proceeds	The total proceeds from (i) the Offering; (ii) the Cornerstone Stapled Securities, (iii) the amount to be drawn and/or assumed under the EH-REIT Debt Facilities and the issuance of the Consideration Stapled Securities

Total Project Costs	The sum of the following (where applicable): (i) construction cost based on the project final account prepared by the project quantity surveyor or issued by the appointed contractor; (ii) principal consultants fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager; (iii) the cost of obtaining all approvals for the project; (iv) site staff costs; (v) interest costs on borrowings used to finance project cashflows that are capitalised to the project in line with International Financial Reporting Standards; and (vi) any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with International Financial Reporting Standards but for the avoidance of doubt, shall not include land costs (including but not limited to the acquisition price or underlying value of such land)
Trust Companies Act	Trust Companies Act, Chapter 336 of Singapore
Trust Property	Has the meaning ascribed to it in the BTA
Trustee-Manager	Eagle Hospitality Business Trust Management Pte. Ltd., in its capacity as trustee-manager of EH-BT
Trustee-Manager Board	The board of directors of the Trustee-Manager
Trustee-Manager Directors	The directors of the Trustee-Manager
Trustees Act	Trustees Act, Chapter 337 of Singapore
TW ROFR	The ROFR granted by Taylor Woods to the REIT Trustee and the Trustee-Manager
Unaudited Pro Forma Financial Information	The unaudited pro forma financial information of EH-REIT
Unclaimed Monies Account	A special account which holds any unclaimed monies payable to holders of EH-REIT Units or, as the case may be, EH-BT Units
Underwriting Agreement	The underwriting agreement entered into between the Joint Bookrunners, the REIT Manager, the Trustee-Manager, the Sponsor and the Stapled Security Lender on 16 May 2019

Underwriting, Selling and Management Commission	An underwriting, selling and management commission (including incentive fees) of up to 3.0% of the total proceeds of the Offering and the issuance of the Cornerstone Stapled Securities
Unsecured Lender	Lodging USA Lendco, LLC
Unsecured Loan	A US$89 million unsecured loan from the Unsecured Lender
Unstapling	The process that results in a EH-REIT Unit no longer being stapled to a EH-BT Unit
URA	Urban Redevelopment Authority
US, U.S. or United States	United States of America
US Corp	EHT US1, Inc, a newly incorporated US corporation wholly-owned by SG Corp
USHI LLCs	UCHIDH, LLC, UCF 1, LLC, UCRDH, LLC, Urban Commons Bayshore A, LLC, UCCONT1, LLC, Urban Commons Cordova A, LLC, Urban Commons Highway 111 A, LLC, Urban Commons Anaheim HI, LLC, Urban Commons 4th Street A, LLC, Urban Commons Riverside Blvd., A, LLC, Urban Commons Danbury A, LLC and Urban Commons Queensway, LLC
USHI Portfolio	The Properties comprising (i) Sheraton Pasadena, (ii) Holiday Inn & Suites Anaheim, (iii) Embassy Suites by Hilton Anaheim North, (iv) Holiday Inn Hotel & Suites San Mateo, (v) Four Points by Sheraton San Jose Airport, (vi) The Westin Sacramento, (vii) Embassy Suites by Hilton Palm Desert, (viii) The Queen Mary Long Beach, (ix) Renaissance Denver Stapleton, (x) Holiday Inn Denver East – Stapleton, (xi) Holiday Inn Resort Orlando Suites – Waterpark and (xii) Crowne Plaza Danbury
USHI Portfolio Vendor	U.S. Hospitality Investments LLC
USHIL Holdco	USHIL Holdco Member, LLC
Variable Rent	The variable rent under the terms of the Master Lease Agreements
Vendors	The USHI Portfolio Vendor and the ASAP6 Portfolio Vendors

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

Any reference in this Prospectus to any enactment is a reference to that enactment for the time being amended or re-acted.

Any reference to a time of day in this Prospectus is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding.

Information contained in the Managers' and the Sponsor's website does not constitute part of this Prospectus.

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REPORTING AUDITORS' REPORT ON THE PROFIT FORECAST AND PROFIT PROJECTION

The Board of Directors
Eagle Hospitality REIT Management Pte. Ltd.
(in its capacity as Manager of Eagle Hospitality
Real Estate Investment Trust)
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

DBS Trustee Limited
(in its capacity as Trustee of Eagle Hospitality
Real Estate Investment Trust)
12 Marina Boulevard
Level 44 Marina Bay Financial Centre Tower 3
Singapore 018982

16 May 2019

Dear Sirs

Letter from the reporting auditors on the profit forecast for the period from 1 May 2019 to 31 December 2019 and the profit projection for the year ending 31 December 2020

This letter has been prepared for inclusion in the prospectus (the "**Prospectus**") to be issued in connection with the offering of stapled securities in Eagle Hospitality Trust, comprising Eagle Hospitality Real Estate Investment Trust ("**EH-REIT**") and Eagle Hospitality Business Trust at the offering price of US$0.78 per stapled security (the "Offering").

The directors of Eagle Hospitality REIT Management Limited (the "**Directors**") are responsible for the preparation and presentation of the forecast consolidated statement of comprehensive income of EH-REIT for the period from 1 May 2019 to 31 December 2019 (the "Profit Forecast") and the year ending 31 December 2020 (the "**Profit Projection**") as set out on page 157 of the Prospectus, which have been prepared on the basis of the assumptions set out on pages 159 to 173 of the Prospectus.

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), which is founded on fundamental principles of integrity, objectively, professional competence and due are, confidentiality and professional behaviour. The firm applies Singapore Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have examined the Profit Forecast of EH-REIT for the period from 1 May 2019 to 31 December 2019 and the Profit Projection for the year ending 31 December 2020 as set out on page 157 of the Prospectus in accordance with Singapore Standard on Assurance Engagements ("**SSAE**") 3400 *The Examination of Prospective Financial Information*. The Directors are solely responsible for the Profit Forecast and Profit Projection including the assumptions set out on pages 159 to 173 of the Prospectus on which they are based.

Profit Forecast

Based on our examination of the evidence supporting the relevant assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Forecast. Further, in our opinion the Profit Forecast, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the assumptions, is consistent with the accounting policies set out on pages C-13 to C-21 of the Prospectus, and is presented in accordance with International Financial Reporting Standards (but not all the required disclosures) as issued by the International Accounting Standards Board ("**IASB**"), which is the framework to be adopted by EH-REIT in the preparation of its financial statements.

Profit Projection

The Profit Projection is intended to show a possible outcome based on the stated assumptions. As EH-REIT is newly established without any history of activities and because the length of the period covered by the Profit Projection extends beyond the period covered by the Profit Forecast, the assumptions used in the Profit Projection (which include hypothetical assumptions about future events which may not necessarily occur) are more subjective than would be appropriate for a profit forecast. The Profit Projection does not therefore constitute a profit forecast.

Based on our examination of the evidence supporting the relevant assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Projection. Further, in our opinion the Profit Projection, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the assumptions, is consistent with the accounting policies set out on pages C-13 to C-21 of the Prospectus, and is presented in accordance with International Financial Reporting Standards (but not all the required disclosures) as issued by the IASB, which is the framework to be adopted by EH-REIT in the preparation of its financial statements.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions occur, actual results are still likely to be different from the Profit Projection since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those projected. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Profit Forecast and Profit Projection.

Attention is drawn, in particular, to the risk factors set out on pages 72 to 106 of the Prospectus which describe the principal risks associated with the Offering, to which the Profit Forecast and Profit Projection relate and the sensitivity analysis of the Profit Forecast and Profit Projection set out on pages 173 and 175 of the Prospectus.

KPMG LLP
Public Accountants and
Chartered Accountants
Singapore
(Partner-in-charge: Lo Mun Wai)

REPORTING AUDITORS' REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Eagle Hospitality REIT Management Pte. Ltd.
(in its capacity as Manager of Eagle Hospitality Real Estate Investment Trust)
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

DBS Trustee Limited
(in its capacity as Trustee of Eagle Hospitality Real Estate Investment Trust)
12 Marina Boulevard
Level 44
Marina Bay Financial Centre Tower 3
Singapore 018982

16 May 2019

We have completed our assurance engagement to report on the compilation of pro forma consolidated financial information set out in Appendix C of the prospectus (the "**Prospectus**") to be issued in connection with the offering of stapled securities in Eagle Hospitality Trust, comprising Eagle Hospitality Real Estate Investment Trust ("**EH-REIT**") and Eagle Hospitality Business Trust (the "**Offering**"). The unaudited pro forma consolidated financial information of EH-REIT and its subsidiaries (the "**Pro Forma Group**") consists of the pro forma consolidated statements of comprehensive income for the years ended 31 December 2016, 31 December 2017 and 31 December 2018, the pro forma consolidated statement of cash flows for the year ended 31 December 2018, the pro forma consolidated statement of financial position as at the Listing Date and related notes (the "**Unaudited Pro Forma Consolidated Financial Information**") as set out in Appendix C of the Prospectus. The Unaudited Pro Forma Consolidated Financial Information of EH-REIT has been prepared for illustrative purposes only and is based on certain assumptions, after making certain adjustments. The applicable criteria (the "**Criteria**") on the basis of which Eagle Hospitality REIT Management Pte. Ltd. (the "**Manager**") has compiled the Unaudited Pro Forma Consolidated Financial Information are described in Appendix C to the Prospectus.

The Unaudited Pro Forma Consolidated Financial Information has been compiled by the Manager to illustrate the impact on:

(a) the comprehensive income of the Pro Forma Group if it had acquired the entities that owned the USHI Portfolio[1] and entered into master lease agreements for the USHI Portfolio under the same terms set out in the Prospectus on the dates stated in Appendix C;

(b) the cash flows of the Pro Forma Group if it had acquired the entities that owned the USHI Portfolio and entered into master lease agreements for the USHI Portfolio under the same terms set out in the Prospectus on 1 January 2018; and

1 Comprising 1) Sheraton Pasadena, 2) Holiday Inn & Suites Anaheim, 3) Embassy Suites by Hilton Anaheim North, 4) Holiday Inn Hotel & Suites San Mateo, 5) Four Points by Sheraton San Jose Airport, 6) The Westin Sacramento, 7) Embassy Suites by Hilton Palm Desert, 8) The Queen Mary Long Beach, 9) Renaissance Denver Stapleton, 10) Holiday Inn Denver East – Stapleton, 11) Holiday Inn Orlando Suites-Waterpark and 12) Crowne Plaza Danbury.

(c) the financial position of the Pro Forma Group if it had acquired USHIL Holdco Member, LLC, USHIL Holdco, LLC, UC Junior Mezz, LLC, UC Senior Mezz, LLC and the entities that owned the USHI Portfolio and the ASAP6 Portfolio[2] and entered into master lease agreements for the properties under the same terms set out in the Prospectus on the Listing Date.

The dates on which the transactions described above are assumed to have been undertaken, are hereinafter collectively referred to as "the Relevant Dates".

As part of this process, information about the Pro Forma Group's consolidated comprehensive income, consolidated cash flows and consolidated financial position has been extracted by the Manager from the audited aggregated financial statements of the USHI Portfolio for the years ended 31 December 2016 and 31 December 2017 and the audited aggregated financial statements of USHIL Holdco Member, LLC, USHI Holdco, LLC, UC Junior Mezz, LLC, UC Senior Mezz, LLC and the entities that owned the USHI Portfolio for the year ended 31 December 2018. The aforementioned financial information are hereinafter collectively referred to as the "Relevant Financial Information". The auditors' reports on the Relevant Financial Information for the years ended 31 December 2016, 31 December 2017 and 31 December 2018 have not been published.

The Manager's responsibility for the Unaudited Pro Forma Consolidated Financial Information

The Manager is responsible for compiling the Unaudited Pro Forma Consolidated Financial Information on the basis of the Criteria.

Reporting auditors' independence and quality control

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Singapore Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting auditors' responsibility

Our responsibility is to express an opinion about whether the Unaudited Pro Forma Consolidated Financial Information has been compiled, in all material respects, by the Manager on the basis of the Criteria.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420 *Assurance engagements to report on the compilation of pro forma financial information included in a prospectus*, issued by the Institute of Singapore Chartered Accountants (the "ISCA"). This standard requires that the reporting auditors comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Manager has compiled, in all material respects, the Unaudited Pro Forma Consolidated Financial Information on the basis of the Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma

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2 Comprising 1) Hilton Atlanta Northeast, 2) Doubletree by Hilton Salt Lake City Airport, 3) Sheraton Denver Tech Centre, 4) Crowne Plaza Dallas Near Galleria-Addison, 5) Hilton Houston Galleria Area, and 6) Renaissance Woodbridge.

Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Consolidated Financial Information.

The purpose of pro forma consolidated financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at the Relevant Dates would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis of the Criteria involves performing procedures to assess whether the Criteria used by the Manager in the compilation of the Unaudited Pro Forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those Criteria; and
- the Unaudited Pro Forma Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting auditors' judgement, having regard to his understanding of the nature of the event or transaction in respect of which the Unaudited Pro Forma Consolidated Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Consolidated Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Consolidated Financial Information has been compiled:

  (i) in a manner consistent with the accounting policies to be adopted by the Pro Forma Group, which are in accordance with International Financial Reporting Standards; and

  (ii) on the basis of the Criteria stated in Appendix C of the Prospectus; and

(b) each material adjustment made to the information used in the preparation of the Unaudited Pro Forma Consolidated Financial Information is appropriate for the purpose of preparing such unaudited financial information.

This letter has been prepared for inclusion in the Prospectus of Eagle Hospitality Trust to be issued in connection with the offering of stapled securities in Eagle Hospitality Trust.

KPMG LLP
Public Accountants and
Chartered Accountants
Singapore
(Partner-in-charge: Lo Mun Wai)

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UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

A INTRODUCTION

The Unaudited Pro Forma Consolidated Financial Information has been prepared for inclusion in the prospectus (the "Prospectus") to be issued in connection with the proposed listing of Eagle Hospitality Trust ("EHT") on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

Eagle Hospitality Trust is a hospitality stapled group comprising Eagle Hospitality Real Estate Investment Trust ("EH-REIT") and Eagle Hospitality Business Trust ("EH-BT"). EH-REIT is a Singapore-based real estate investment trust constituted pursuant to a trust deed dated 11 April 2019 made between Eagle Hospitality REIT Management Pte. Ltd. (the "REIT Manager") and DBS Trustee Limited (the "REIT Trustee"). EH-REIT is 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 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 (the "US"). EH-BT is a Singapore-based business trust constituted by a trust deed dated 11 April 2019 and will be managed by Eagle Hospitality Business Trust Management Pte. Ltd. (the "Trustee-Manager") which will be dormant as at the Listing Date. The securities in each of EH-REIT and EH-BT are stapled together under the terms of a stapling deed dated 11 April 2019 entered into between the Manager, the REIT Trustee and the Trustee-Manager ("Stapling Deed") and cannot be traded separately. Each stapled security in EHT (the "Stapled Security") comprises a unit in EH-REIT ("EH-REIT Unit") and a unit in EH-BT ("EH-BT Unit"). The REIT Manager and the Trustee-Manager are hereinafter collectively referred to as "the Managers".

The Managers' principal objectives are to deliver regular and stable distributions to the holders of the Stapled Securities (the "Stapled Securityholders") and to achieve long-term growth in distribution per Stapled Security ("DPS") and in the net asset value per Stapled Security, while maintaining an appropriate capital structure.

On the Listing Date, EHT's initial portfolio will comprise 18 properties located in the US (the "Initial Portfolio") as follows:

- 12 properties comprising:
  - (1) Sheraton Pasadena ("SPH")
  - (2) Holiday Inn Hotel & Suites Anaheim ("HIA")
  - (3) Embassy Suites by Hilton Anaheim North ("ESAN")
  - (4) Holiday Inn Hotel & Suites San Mateo ("HISM")
  - (5) Four Points by Sheraton San Jose Airport ("FPSJ")
  - (6) The Westin Sacramento ("WSAC")
  - (7) Embassy Suites by Hilton Palm Desert ("ESPD")
  - (8) The Queen Mary Long Beach ("QUEEN")
  - (9) Renaissance Denver Stapleton ("RDH")
  - (10) Holiday Inn Denver East – Stapleton ("HIDH")
  - (11) Holiday Inn Orlando Suites – Waterpark ("OHIR")
  - (12) Crowne Plaza Danbury ("CPD")

Each property is referred to as a "Hotel" and collectively, the properties are referred to as the "USHI Portfolio".

- 6 properties comprising:
  (1) Sheraton Denver Tech Center ("SDTC")
  (2) Crowne Plaza Dallas Near Galleria Addison ("CPDL")
  (3) Hilton Houston Galleria Area ("HHG")
  (4) Renaissance Woodbridge ("RW")
  (5) Doubletree by Hilton Salt Lake City Airport ("SLC")
  (6) Hilton Atlanta Northeast ("HAN")

Each property is referred to as a "Hotel" and collectively, the properties are referred to as the "ASAP6 Portfolio".

The vendor of the USHI Portfolio is USHIL Hospitality Investments LLC (the "USHI Portfolio Vendor"), whose common equity interests are indirectly owned by Howard Wu and Taylor Woods (collectively, the "Founders"). The vendors of the ASAP6 Portfolio are MWCI, LLC and CWCI, LLC (collectively, the "ASAP6 Portfolio Vendors") whose common equity interests are owned by the Founders. The ASAP6 Portfolio Vendors have acquired the ASAP6 Portfolio from the existing third party owners of the ASAP6 Portfolio (the "Third Party ASAP6 Portfolio Vendors") prior to the Listing Date. The USHI Portfolio Vendor and ASAP6 Portfolio Vendors are collectively referred to as the "Vendors".

On the Listing Date, EH-REIT will acquire the USHI Portfolio through the acquisition of the entire equity interest in USHIL Holdco Member, LLC (excluding its equity interests in USHIL Holdco, LLC, UC Junior Mezz, LLC and UC Senior Mezz, LLC) and the ASAP6 Portfolio through the acquisition of the entire equity interest of CI Hospitality Investment, LLC. The acquisitions as described above will take place on the Listing Date and are collectively referred to as the "Acquisitions".

Following the acquisition of the USHI Portfolio and ASAP6 Portfolio and a series of assignments and intra-company loans and funds transfers, the interests in USHIL Holdco Member, LLC and CI Hospitality Investment LLC, will be owned by EHT US1, Inc, a newly incorporated U.S. corporation wholly-owned by EH-REIT through Eagle Hospitality Trust S1 Pte. Ltd., a newly incorporated Singapore company wholly-owned by EH-REIT.

In connection with the Acquisitions, EHT proposes to issue 867,888,000 new Stapled Securities at an offering price of US$0.78 (the "Offering Price") per Stapled Security (the "Offering"), net of issue costs of US$41.4 million and obtain borrowings in order to, inter alia, fund the Acquisitions and associated costs. The Offering consists of (i) an international placement of 535,687,000 Stapled Securities to investors, including institutional and other investors in Singapore, and (ii) an offering of 44,871,000 Stapled Securities to the public in Singapore. Separate from the Offering, U.S. Hospitality Investments LLC as vendor of the USHI Portfolio ("USHI Portfolio Vendor") will receive an aggregate of 142,459,998 Stapled Securities at the Offering Price in part satisfaction of the purchase consideration for the USHI Portfolio. In addition, concurrently with, but separate from the Offering, cornerstone investors ("Cornerstone Investors") have entered into conditional subscription agreements to subscribe for an aggregate of 144,870,000 Stapled Securities at the Offering Price.

On the Listing Date, EH-REIT will enter into master lease agreements (the "Master Lease Agreements") with affiliates of Urban Commons, LLC, the Sponsor of EHT (collectively, the "Master Lessees").

The initial terms of the Master Lease Agreements are disclosed in note 6 in Section D. In relation to each Hotel, the Master Lessees will appoint a professional hotel manager and a third party hotel franchisor to manage the day-to-day operations of that Hotel.

B BASIS OF PREPARATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

No financial statements of EHT have been prepared for the financial years ended 31 December 2016, 31 December 2017 and 31 December 2018 as EH-REIT and EH-BT were established on 11 April 2019.

No pro forma financial information of EH-BT has been presented as it will be dormant as at the Listing Date. Accordingly, no consolidated pro forma financial information for EHT has been presented.

The unaudited pro forma financial information set out in this report has been prepared for illustrative purposes only and based on certain assumptions, after making certain adjustments, and shows the Unaudited Pro Forma Consolidated Statements of Comprehensive Income of EH-REIT and its subsidiaries (the "Pro Forma Group") for the years ended 31 December 2016, 2017 and 2018, the Unaudited Pro Forma Consolidated Statement of Cash Flows of the Pro Forma Group for the year ended 31 December 2018 and the Unaudited Pro Forma Consolidated Statement of Financial Position of the Pro Forma Group as at the Listing Date.

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income for the years ended 31 December 2016, 2017 and 2018 and the Unaudited Pro Forma Consolidated Statement of Cash Flows of the Pro Forma Group for the year ended 31 December 2018 do not include the pro forma financial results and cash flows arising from the ASAP6 Portfolio as the Managers do not have the historical financial information of the ASAP6 Portfolio for the aforementioned three years. The Third Party ASAP6 Portfolio Vendors are unrelated to the Sponsor and the Founders will only be acquiring the ASAP6 Portfolio from the Third Party ASAP6 Portfolio Vendors prior to the Listing Date (before EH-REIT acquires the ASAP6 Portfolio from the ASAP6 Portfolio Vendors).

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income for the years ended 31 December 2016, 2017 and 2018 reflect the financial performance of the Pro Forma Group, assuming the Pro Forma Group had acquired the USHI Portfolio and entered into the Master Lease Agreements for the USHI Portfolio on 1 January 2016 or the date of acquisition by the Sponsor, whichever is later, pursuant to the terms set out in the prospectus (the "Prospectus").

The Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended 31 December 2018 reflects the cash flows of the Pro Forma Group, assuming the Pro Forma Group had acquired the USHI Portfolio and entered into the Master Lease Agreements for the USHI Portfolio on 1 January 2018, pursuant to the terms set out in the Prospectus.

The Unaudited Pro Forma Consolidated Statement of Financial Position as at the Listing Date reflects the financial position of the Pro Forma Group, assuming the Pro Forma Group had purchased the various entities which own the Initial Portfolio and entered into the Master Lease Agreements for the Initial Portfolio on the Listing Date, pursuant to the terms set out in the Prospectus.

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income, Unaudited Pro Forma Consolidated Statement of Cash Flows and Unaudited Pro Forma Consolidated Statement of Financial Position (collectively, the Unaudited Pro Forma Consolidated Financial Information") have been prepared on the basis of the accounting policies set out in Section D and is to be read in conjunction with Section E. The Unaudited Pro Forma Consolidated Financial Information has been prepared based on the Offering Price of US$0.78 and assuming the Over-Allotment Option is exercised in full.

The objective of the Unaudited Pro Forma Consolidated Financial Information is to show what the financial performance, cash flows and financial position might have been, on the basis as described above. However, the Unaudited Pro Forma Consolidated Financial Information is not necessarily indicative of the financial performance, cash flows and financial position that would have been attained had the Pro Forma Group actually existed earlier or on the Listing Date. The Unaudited Pro Forma Consolidated Financial Information, because of its nature, may not give a true picture of the Pro Forma Group's actual financial performance, cash flows or financial position.

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income and Unaudited Pro Forma Consolidated Statement of Cash Flows have been prepared based on the audited aggregated financial statements of the entities that owned the USHI Portfolio for the years ended 31 December 2016 and 31 December 2017 and the audited aggregated financial statements of USHIL Holdco Member, LLC, USHIL Holdco, LLC, UC Junior Mezz, LLC, UC Senior Mezz, LLC and the entities that owned the USHI Portfolio for the year ended 31 December 2018. The aforementioned financial information are hereinafter collectively referred to as the "Relevant Financial Information".

The Relevant Financial Information for the years ended 31 December 2016, 31 December 2017 and 31 December 2018 was prepared, based on the accounting policies of USHIL Holdco Member, LLC, USHIL Holdco, LLC, UC Junior Mezz, LLC, UC Senior Mezz, LLC and the entities that owned the USHIL Portfolio, which are in accordance with International Financial Reporting Standards and was audited by KPMG Singapore in accordance with Singapore Standards on Auditing.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income have been prepared to reflect the financial performance of the Pro Forma Group, assuming the Pro Forma Group had acquired the USHI Portfolio, except for The Queen Mary Long Beach, and entered into the Master Lease Agreements for the properties on 1 January 2016, pursuant to the terms set out in the Prospectus. It is assumed that the Pro Forma Group acquired The Queen Mary Long Beach and entered into a Master Lease Agreement for that property on 16 April 2016 (being the date the Sponsor acquired the property) pursuant to the terms set out in the Prospectus.

In arriving at the Unaudited Pro Forma Consolidated Statements of Comprehensive Income for each of the periods presented, the following key assumptions and adjustments were made:

- Finance costs (including amortisation of transaction costs) relating to the borrowings that existed prior to the Acquisitions were reversed;

- Hotel management fees based on the arrangements existing prior to the Acquisitions were reversed;

- Depreciation, amortisation expense, certain administrative, general and other operating expenses incurred by the entities that own the USHI Portfolio prior to their acquisition by EH-REIT, which will not be incurred by EH-REIT were reversed;

- Revenue is assumed to be computed based on the terms of the Master Lease Agreements for the USHI Portfolio, which have been applied to the revenue and gross operating profit in the Relevant Financial Information, after making certain adjustments.

The fixed and variable rent components of EH-REIT's revenue derived from the Master Lessee of the USHI Portfolio is set out below:

	SPH	HIA	ESAN	HISM	FPSJ	WSAC	ESPD	QUEEN	RDH	HIDH	OHIR	CPD	Total
Rent formula													
Percentage of revenue	22.0%	26.0%	20.0%	28.0%	24.0%	23.0%	18.0%	–	17.0%	20.0%	19.0%	10.0%	
Percentage of gross profit	24.0%	25.0%	17.0%	29.0%	24.0%	22.0%	17.0%	8.0%	24.0%	22.0%	22.0%	10.0%	
FY 2016	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Revenue	18,960	11,523	11,936	8,868	11,099	6,638	7,529	44,066	21,172	9,949	23,834	7,004	182,578
Gross profit	7,070	4,711	3,914	3,353	4,041	2,271	2,330	7,158	5,093	2,492	3,637	1,224	47,294
Total rent	5,868	4,174	3,053	3,455	3,634	2,026	1,751	10,096	4,821	2,538	7,500	823	49,739
Less: Fixed rent	(4,200)	(3,000)	(2,100)	(3,300)	(2,800)	(1,600)	(1,400)	(9,523)	(3,900)	(2,300)	(7,500)	(800)	(42,423)
Variable rent	1,668	1,174	953	155	834	426	351	573	921	238	–	23	7,316
FY 2017													
Revenue	12,378	12,073	11,469	9,390	11,646	7,065	7,144	57,755	17,984	7,075	28,831	6,180	188,990
Gross profit	2,481	4,719	3,375	3,442	4,321	2,547	1,757	6,503	3,495	575	5,435	418	39,068
Total rent	4,200	4,319	2,867	3,628	3,832	2,185	1,584	13,218	3,900	2,300	7,500	800	50,333
Less: Fixed rent	(4,200)	(3,000)	(2,100)	(3,300)	(2,800)	(1,600)	(1,400)	(12,698)	(3,900)	(2,300)	(7,500)	(800)	(45,598)
Variable rent	–	1,319	767	328	1,032	585	184	520	–	–	–	–	4,735
FY 2018													
Revenue	17,712	12,398	12,342	10,050	13,006	7,192	7,368	60,648	21,518	8,546	36,189	7,236	214,205
Gross profit	5,774	4,988	3,344	3,971	4,829	2,735	1,634	11,228	5,765	1,380	8,188	764	54,600
Total rent	5,283	4,471	3,037	3,966	4,280	2,256	1,603	13,596	5,042	2,300	8,677	800	55,311
Less: Fixed rent	(4,200)	(3,000)	(2,100)	(3,300)	(2,800)	(1,600)	(1,400)	(12,698)	(3,900)	(2,300)	(7,500)	(800)	(45,598)
Variable rent	1,083	1,471	937	666	1,480	656	203	898	1,142	–	1,177	–	9,713

- Property tax is assumed to be the amounts incurred on the USHI Portfolio in the relevant period based on the Relevant Financial Information;

- Insurance expense is assumed to be the amounts incurred on the USHI Portfolio in the relevant period based on the Relevant Financial Information;

- REIT Manager's management fees are based on the formula as set out in Section E note (i);

- Trustee's fee is based on the formula as set out in Section E note (ii);

- Other trust expenses include compliance expenses, annual listing fees, registry fees, audit and tax advisory fees, valuation fees, costs associated with the preparation and distribution of reports to the holders of Stapled Securities, investor communication costs and miscellaneous expenses. Other trust expenses of US$1,670,000, US$1,703,000, and US$1,971,000 are assumed to be incurred by the Pro Forma Group for each of the years ended 31 December 2016, 2017 and 2018;

- Interest expense on borrowings is based on an effective interest rate of approximately 4.2% per annum (inclusive of all margins and debt-related transaction costs) and a principal of US$370,000,000 for the years ended 31 December 2016, 2017 and 2018;

- 100.0% of the income available for distribution to the Stapled Securityholders is distributed;

- The USHI Portfolio (excluding Queen Mary) was acquired on 1 January 2016 at an estimated aggregate purchase price of US$681,786,000 and the related transaction costs are estimated to be US$687,000. Queen Mary was acquired on 16 April 2016 at an estimated purchase price of US$139,723,000 and the related transaction costs are estimated to be US$88,000;

- The USHI Portfolio was revalued to US$937,200,000 based on independent valuations by SG&R Singapore Pte Ltd ("HVS") as of 31 December 2018 and the deferred tax liability arising from the fair value change is estimated to be US$23,771,000;

- The aggregate valuation of the Properties of US$937,200,000 remained unchanged throughout the periods presented except to the extent of capital expenditure incurred; and

- There is no change in the fair value of derivatives that are entered into to hedge the Pro Forma Group's exposure to interest rate changes.

Unaudited Pro Forma Consolidated Statement of Cash Flows

The Unaudited Pro Forma Consolidated Statement of Cash Flows has been prepared to reflect the cash flows of the Pro Forma Group, assuming the Pro Forma Group had acquired the USHI Portfolio and entered into the Master Lease Agreements on 1 January 2018.

In arriving at the Unaudited Pro Forma Consolidated Statement of Cash Flows, the following key assumptions were made:

- On 1 January 2018, the entities that held the USHI Portfolio were acquired at an aggregate purchase consideration (including the related transaction costs) of US$402,401,000. Of the purchase consideration, US$256,562,000 and US$85,839,000 of the purchase consideration were settled in cash and Stapled Securities, respectively, and the remaining US$60,000,000 was set off against the proceeds from the Unsecured

Loan. Of the amount settled in cash, US$13,512,000 was retained by the Pro Forma Group as part of the USHI Portfolio Vendor's commitment to fund the capital expenditure of certain Hotels;

- Prepaid expenses of US$324,000 as at 1 January 2018, were assumed by EH-REIT. The prepaid expenses of US$324,000 were assumed to be settled as at 31 December 2018;

- Borrowings of US$420,006,000 that existed prior to the Acquisition of the USHI Portfolio were repaid;

- Capital expenditure of US$13,037,000 was assumed to be incurred on the properties subsequent to the acquisition of the USHI Portfolio.

- An amount of US$5,881,000 was received from the Master Lessees to fund future expenditure on furniture, fittings and equipment ("FF&E"). FF&E expenditure of US$3,682,000 was assumed to be incurred during the year.

- Security deposits of US$17,595,000 were received in cash from the Master Lessees;

- Borrowings of US$370,000,000 were drawn down by the Pro Forma Group to partially fund the acquisition of the USHI Portfolio;

- The date that the Pro Forma Group's borrowings were drawn down and the Stapled Securities were issued correspond to the timing of the purchase of the USHI Portfolio on 1 January 2018;

- Interest expense on borrowings is paid on the last day of the period presented;

- 100.0% of the management fees payable to the REIT Manager are in the form of Stapled Securities and are paid on a semi-annual basis, in arrears;

- No Manager's performance fee has been assumed for the financial year ended 31 December 2018;

- Proceeds raised from the Offering amounted to US$412,897,000;

- Issue costs relating to the Offering are estimated to be US$34,177,000 and are assumed to be funded by proceeds raised from the Offering;

- The aggregate valuation of the USHI Portfolio remained unchanged throughout the year presented except to the extent of the assumed capital expenditure incurred as described above;

- No withholding tax is payable by the Pro Forma Group for the year ended 31 December 2018; and

- 100.0% of the income available for distribution to the Stapled Securityholders is distributed. Distributions to Stapled Securityholders are paid on a semi-annual basis, in arrears.

Unaudited Pro Forma Consolidated Statement of Financial Position

The Unaudited Pro Forma Consolidated Statement of Financial Position of the Pro Forma Group as at the Listing Date is prepared for illustrative purposes only, after making certain assumptions, to reflect the financial position of the Pro Forma Group as if it had completed the Offering and the issuance of the Stapled Securities to the Sponsor and the Cornerstone Investors, drawn down new debt facilities, and acquired the Initial Portfolio on the Listing Date, under the same terms set out in the Prospectus.

The Unaudited Pro Forma Consolidated Statement of Financial Position as the Listing Date has been prepared on the basis of the accounting policies set out in section D and is to be read in conjunction with Section E.

The objective of the Unaudited Pro Forma Consolidated Statement of Financial Position is to show what the financial position of the Pro Forma Group might have been at the Listing Date, on the basis as described above. However, the Unaudited Pro Forma Consolidated Statement of Financial Position is not necessarily indicative of the financial position that would have been attained by the Pro Forma Group on the actual Listing Date. The Unaudited Pro Forma Consolidated Statement of Financial Position, because of its nature, may not give a true picture of the Pro Forma Group's financial position.

The Unaudited Pro Forma Consolidated Statement of Financial Position as at the Listing Date has been prepared after incorporating the following key assumptions and adjustments:

- The entities that held the ASAP6 Portfolio are assumed to only have investment properties, cash balances, other payables and borrowings as at the Listing Date.

- The entities that held the Initial Portfolio were acquired at an aggregate purchase consideration (net of borrowings assumed but including the related transaction costs) of US$597,654,000. Of the purchase consideration, US$397,535,000 and US$111,119,000 were settled in cash and Stapled Securities, respectively and the remaining US$89,000,000 was set off against the proceeds from the Unsecured Loan (Note 10). Of the amount settled in cash, US$10,782,000 was retained by the Pro Forma Group as part of the Vendors' commitment to (i) fund the capital expenditure of certain Hotels and (ii) defray the higher borrowing cost arising from the existing ASAP6 loans assumed by EH-REIT against the market interest rates achieved under the new loan facilities;

- Cash balances of US$4,510,000 were assumed by EH-REIT as at the Listing Date;

- Borrowings of US$514,151,000 were assumed as part of the Acquisitions. Of this amount, US$471,621,000 was repaid on the Listing Date;

- Security deposits of US$23,650,000 were received from the Master Lessees;

- Proceeds raised from the Offering amounted to US$565,834,000;

- Issue costs relating to the Offering are estimated to be US$41,363,000 and are assumed to be funded by proceeds raised from the Offering; and

- Borrowings of US$458,467,000 (net of transaction costs incurred of U$6,533,000) were drawn down by the Pro Forma Group on the Listing Date to partially fund the acquisition of the Initial Portfolio.

- Transaction costs of US$563,000 were incurred in relation to the borrowings assumed by the Pro Forma Group as part of Acquisitions.

C UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

Unaudited Pro Forma Consolidated Statements of Comprehensive Income[1]

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income of the Pro Forma Group for the years ended 31 December 2016, 31 December 2017 and 31 December 2018 have been prepared for inclusion in the Prospectus and are presented below. Details of the pro forma adjustments and assumptions made are set out in the Basis of Preparation of Unaudited Pro Forma Consolidated Financial Information in Section B.

USHI Portfolio only

	Note	FY2016 US$'000	FY2017 US$'000	FY2018 US$'000
Revenue	3	51,201	54,899	59,505
Property expenses	4	(7,003)	(9,871)	(12,149)
Net property income		44,198	45,028	47,356
Other income		–	–	2,423
REIT Manager's management fees	5	(2,650)	(2,756)	(4,165)
REIT Trustee's fee		(199)	(202)	(204)
Other trust expenses		(1,670)	(1,703)	(1,971)
Finance income		265	282	282
Finance costs		(15,680)	(15,711)	(15,723)
Net finance costs		(15,415)	(15,429)	(15,441)
		24,264	24,938	27,998
Fair value change in investment properties		113,193	–	–
Profit before tax		137,457	24,938	27,998
Tax expense		(23,874)	(98)	(103)
Profit after tax		113,583	24,840	27,895

Note:

(1) Based on the Offering Price per Stapled Security and assuming the Over-Allotment Option is exercised in full.

Unaudited Pro Forma Consolidated Statements of Cash Flows[1]

The Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended 31 December 2018 has been prepared for inclusion in the Prospectus and is presented below. Details of the pro forma adjustments and assumptions made are set out in the Basis of Preparation of Pro Forma Financial Information in Section B.

USHI Portfolio only

	Note	Year ended 31 December 2018 US$'000
Cash flows from operating activities		
Net income before tax		141,693
Adjustments for:		
Rental income arising from amortisation of deferred income and rental straight-lining adjustments		(2,698)
Finance income		(282)
Finance costs		15,699
REIT Manager's management fees		3,120
Fair value gain on revaluation of investment properties		(112,682)
Operating income before working capital changes		44,850
Changes in working capital:		
Trade and other receivables		(4,418)
Trade and other payables		2,491
Income tax paid		(103)
Net cash generated from operating activities		42,820
Cash flows from investing activities		
Acquisition of subsidiaries		(256,562)
Net cash used in investing activities		(256,562)
Cash flows from financing activities		
Proceeds from issue of Stapled Securities		412,897
Payment of transaction costs related to the issuance of Stapled Securities		(34,177)
Proceeds from borrowings		310,000
Payment of transaction costs related to borrowings		(5,077)
Repayment of borrowings		(420,006)
Finance costs paid		(13,744)
Distribution to holders of Stapled Securities		(15,599)
Movement in restricted cash		(2,474)
Net cash from financing activities		231,820
Net increase in cash and cash equivalents		18,078
Cash and cash equivalents at beginning of the year/period		–
Cash and cash equivalents at end of the year/period[2]		18,078

Notes:

(1) Based on the Offering Price per Stapled Security and assuming the Over-Allotment Option is exercised in full.

(2) Cash and cash equivalents exclude pledged cash amounting to US$17,595,000 and restricted cash amounting to US$2,474,000.

During the year, 110,050,000 Units amounting to US$85,839,000 were issued to the USHI Portfolio Vendor as partial satisfaction of the purchase consideration for the acquisition of the USHI Portfolio. In addition, US$60,000,000 of the purchase consideration was set off against the proceeds from the Unsecured Loan.

Unaudited Pro Forma Consolidated Statement of Financial Position[1]

The Unaudited Pro Forma Consolidated Statement of Financial Position as at the Listing Date has been prepared for inclusion in the Prospectus and is presented below. The assumptions used to prepare the Unaudited Pro Forma Consolidated Statement of Financial Position are consistent with those described in Section B: Basis of Preparation of Unaudited Pro Forma Consolidated Statement of Financial Position as at the Listing Date.

Initial Portfolio of EH-REIT

	Note	As at the Listing Date US$'000
Non-current assets		
Investment properties	6	1,274,575
Current assets		
Trade and other receivables	7	2,367
Cash and cash equivalents	8	60,794
		63,161
Total assets		1,337,736
Unitholders' funds		
Units in issue		676,953
Unit issue costs		(41,363)
Retained earnings		129,557
Total unitholders' funds		765,147
Non-current liabilities		
Trade and other payables	9	27,434
Loans and borrowings	10	500,434
Lease liabilities	11	6,357
Deferred tax liabilities		34,439
		568,664
Current liabilities		
Trade and other payables	9	3,907
Lease liabilities	11	18
		3,925
Total liabilities		572,589
Total unitholders' funds and liabilities		1,337,736
Units in issue ('000)	12	867,888
Net asset value per Stapled Security (US$)		0.88

Note:

(1) Based on the Offering Price per Stapled Security and assuming the Over-Allotment Option is exercised in full.

D NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

1. Basis of preparation

(a) Statement of compliance

The Unaudited Pro Forma Consolidated Financial Information is prepared in accordance with the bases set out in Section B and applied to financial information prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed.

The financial information of the Pro Forma Group comprise EH-REIT and its subsidiaries.

(b) Basis of measurement

The Unaudited Pro Forma Consolidated Financial Information is prepared on the historical cost basis except as disclosed in the accounting policies below.

(c) Functional and presentation currency

The financial information is presented in United States Dollars ("US$") which is EH-REIT's functional currency. All Unaudited Pro Forma Consolidated Financial Information has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial information is included in Note 6 – Valuation of investment properties.

2. Significant accounting policies of EH-REIT

The accounting policies set out below have been applied consistently throughout the periods presented in this financial information, and have been applied consistently by the Pro Forma Group.

(a) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. They are not for sale in the ordinary course of business, used in the production or supply of goods or services, or for administrative purposes.

Investment properties are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in the statement of comprehensive income. Cost includes expenditure that is directly attributable to the acquisition of the investment properties.

Rental income from investment properties is accounted for in the manner described in Note 2(f). When an investment property is disposed of, the resulting gain or loss recognised in the statement of comprehensive income is the difference between the net disposal proceeds and the carrying amount of the property.

(b) Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Pro Forma Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Pro Forma Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction cost are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised loans and borrowings and trade and other payables.

(iii) Derecognition

Financial assets

The Pro Forma Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Pro Forma Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Financial liabilities

The Pro Forma Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Pro Forma Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Pro Forma Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(c) Impairment

Non-derivative financial assets

The Pro Forma Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs. Loss allowances of the Pro Forma Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Pro Forma Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Pro Forma Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Pro Forma Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly initial recognition and when estimating ECLs, the Pro Forma Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Pro Forma Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Pro Forma Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Pro Forma Group in full, without recourse by the Pro Forma Group to actions such as realising security (if any is held).

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Pro Forma Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Pro Forma Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;

- the restructuring of a loan or advance by the Pro Forma Group on terms that the Pro Forma Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Non-financial assets

The carrying amounts of the Pro Forma Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to its present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(d) Issue costs

Issue costs relate to expenses incurred in connection with the issue of the Stapled Securities and are deducted directly against the unitholders' funds.

(e) Leases

<u>Applicable to the Unaudited Pro Forma Statements of Comprehensive Income for the years ended 31 December 2016, 2017 and 2018</u>

When the Pro Forma Group is a lessee of an operating lease

When the Pro Forma Group has the use of assets under operating leases, payments made under the leases are recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit or loss as

an integral part of the total lease payments made. Contingent rentals are charged to the profit or loss in the accounting period in which they are incurred.

When the Pro Forma Group is a lessor of an operating lease

Assets subject to operating leases are included in investment properties (see Note 2(a)).

Applicable to the Unaudited Pro Forma Statement of Financial Position as at the Listing Date

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Pro Forma Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Pro Forma Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the Pro Forma Group has the right to direct the use of the asset. The Pro Forma Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Pro Forma Group has the right to direct the use of the asset if either:

  - the Pro Forma Group has the right to operate the asset; or

  - the Pro Forma Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Pro Forma Group reallocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Pro Forma Group has elected not to separate non-lease components and account for the lease and non-lease components as a single component.

When the Pro Forma Group is a lessee of an operating lease

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

For the right-of-use asset associated with an underlying asset which meets the definition of an investment property, the Pro Forma Group subsequently remeasures the right-of-use asset at fair value.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Pro Forma Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments;

– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable under a residual value guarantee; and

– the exercise price under a purchase option that the Pro Forma Group is reasonably certain to exercise, lease payments in an optional renewal period if the Pro Forma Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Pro Forma Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Pro Forma Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Pro Forma Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term leases and leases of low-value assets

The Pro Forma Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a term of 12 months or less and leases of low-value assets. The Pro Forma Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Pro Forma Group is a lessor of an operating lease

When the Pro Forma Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease.

To classify each lease, the Pro Forma Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Pro Forma Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Pro Forma Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Pro Forma Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Pro Forma Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

(f) Revenue recognition

Rental income receivable under operating leases is recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income to be received. Variable rent is recognised as income in the accounting period in which it is earned and the amount can be measured reliably.

(g) Provisions

Levies

A provision for levies is recognised when the condition that triggers the payment of the levy as specified in the relevant legislation is met. If a levy legislation that is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is met.

(h) Finance income and expense

Interest income is recognised as it accrues using the effective interest method. Borrowing costs are recognised in the profit or loss using the effective interest method in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

(i) Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the profit or loss except to the extent that it relates to items directly related to equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits and temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(j) Segment information

An operating segment is a component of the Pro Forma Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Pro Forma Group's other components. No segment information has been presented as all the properties are being leased as hotels and are all located in the US.

3. Revenue

Rental income	FY2016 US$'000	FY2017 US$'000	FY2018 US$'000
Fixed rent	42,423	45,598	45,598
Variable rent	7,316	4,735	9,713
Recovery of expenses	1,027	4,103	3,731
Others	435	463	463
	51,201	54,899	59,505

4. Property expenses

	FY2016 US$'000	FY2017 US$'000	FY2018 US$'000
Property tax	4,610	4,693	6,760
Insurance expense	1,811	2,623	2,964
Ground rent	210	2,450	2,425
Others	372	105	–
	7,003	9,871	12,149

5. REIT Manager's management fees

	FY2016 US$'000	FY2017 US$'000	FY2018 US$'000
Base management fees	2,650	2,693	3,162
Performance fees	–	63	1,003
	2,650	2,756	4,165

6. Investment properties

	As at Listing Date US$'000
Investment properties	1,274,575

Investment properties comprise hotel properties that are leased to master lessees under operating leases and a right-of-use asset relating to the ground lease for The Queen Mary Long Beach. As at the Listing Date, investment properties with a carrying amount of US$183,000,000 are pledged as security to secure credit facilities (Note 10).

Reconciliation of carrying amount

	Note	As at Listing Date US$'000
Carrying value as at the Listing Date		1,274,575
Less: Lease liabilities	11	(6,375)
Valuation of the Initial Portfolio as at the Listing Date		1,268,200

The valuations of the investment properties are set out below:

Description of property	Location	Term of lease (years)	Valuation US$'000
Sheraton Pasadena(1)	Pasadena, California	Freehold	114,200
Holiday Inn Hotel & Suites Anaheim(1)	Anaheim, California	Freehold	77,900
Embassy Suites by Hilton Anaheim North(1)	Anaheim, California	Freehold	50,800
Holiday Inn Hotel & Suites San Mateo(1)	San Mateo, California	Freehold	76,500
Four Points by Sheraton San Jose Airport(1)	San Jose, California	Freehold	69,100
The Westin Sacramento(1)	Sacramento, California	Freehold	43,600
Embassy Suites by Hilton Palm Desert(1)	Palm Desert, California	Freehold	32,100
The Queen Mary Long Beach(1)	Long Beach, California	66 years from 1 November 2016	159,400
Renaissance Denver Stapleton(2)	Denver, Colorado	Freehold	88,200
Holiday Inn Denver East – Stapleton(2)	Denver, Colorado	Freehold	50,600
Holiday Inn Orlando Suites – Waterpark(2)	Orlando, Florida	Freehold	162,800

Description of property	Location	Term of lease (years)	Valuation US$'000
Crowne Plaza Danbury[(2)]	Danbury, Connecticut	Freehold	12,000
Sheraton Denver Tech Center[(2)]	Denver, Colorado	Freehold	31,700
Crowne Plaza Dallas Near Galleria – Addison[(2)]	Dallas, Texas	Freehold	57,800
Hilton Houston Galleria Area[(2)]	Houston, Texas	Freehold	48,600
Renaissance Woodbridge[(2)]	Woodbridge, New Jersey	Freehold	76,600
Doubletree by Hilton Salt Lake City Airport[(2)]	Salt Lake City, Utah	Freehold	60,900
Hilton Atlanta Northeast[(2)]	Atlanta, Georgia	Freehold	55,400
			1,268,200

(1) These investment properties are leased to the Master Lessees for a period of 20 years with an option to obtain an additional lease for a further 14 years on the same terms.

(2) These investment properties are leased to the Master Lessees for a period of 20 years with an option to obtain an additional lease for a further 20 years on the same terms.

The valuations of the investment properties are based on the valuations performed by an independent professional valuer. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably, prudently and without compulsion.

The valuers have considered the discounted cash flow method and the direct sales comparison method in arriving at the open market value as at the reporting date. The valuation methods involve certain estimates. The key assumptions used to determine the fair value of investment properties include discount rate, terminal yield and valuation per key. In relying on the valuation reports, the REIT Manager has exercised its judgment and is satisfied that the valuation methods and estimates are reflective of current market conditions and that the valuation reports are prepared in accordance with recognised appraisal and valuation standards.

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

Level 3 fair value

The following table shows the range of key unobservable inputs used within the valuation reports:

Valuation techniques	Key unobservable input	Inter-relationship between key unobservable input and fair value measurement
Discounted cash flow approach	Discount rate of 7% – 8.75% Terminal yield rate of 5.25% – 7.00%	Higher discount rate and terminal yield rate would result in a lower fair value, while lower rates would result in a higher fair value.
Direct sales comparison approach	Price per room US$50,000 – US$460,000	Higher price per room would result in a higher fair value, while a lower price per room would result in a lower fair value.

7. Trade and other receivables

Trade and other receivables relate to input goods and service tax to be claimed from the tax authorities.

8. Cash and cash equivalents

Included in the cash and cash equivalents balance are restricted cash and pledged cash amounting to US$23,955,000 and US$23,650,000 respectively.

The restricted cash relates to reserve funds set aside as required under the terms of certain mortgage loans.

The pledged cash relates to security deposits received in cash from the Master Lessees which are pledged for credit facilities granted to the Pro Forma Group (see Note 10).

9. Trade and other payables

	As at Listing Date US$'000
Deferred income	12,451
Rental deposits	11,199
Other payables	7,691
	31,341
Non-current	27,434
Current	3,907
	31,341

Other payables comprise mainly amounts to be utilised for capital expenditure of certain Hotels.

10. Loans and borrowings

	As at Listing Date US$'000
Non-current liabilities	
Secured bank loans	418,530
Unsecured bank loans	89,000
Less: Transaction costs capitalised	(7,096)
	500,434

Upon listing, the Pro Forma Group will have in place the following loan facilities:

(a) US$341 million term loan facilities comprising:

i. a 3-year term loan facility of approximately US$134 million;

ii. a 4-year term loan facility of approximately US$104 million; and

iii. a 5-year term loan facility of approximately US$104 million.

(collectively, the "New Term Loan Facilities")

(b) approximately US$78 million mortgage loans ("ASAP Mortgage Loans"); and

(c) a 3-year US$89 million unsecured loan ("Unsecured Loan") comprising 3 tranches, in the principal amounts of US$38.4 million, US$16.6 million and US$34.0 million. The unsecured loan matures in approximately 63 months. Each individual tranche is subject to mandatory prepayment under certain conditions.

At the Listing Date, the effective interest rate of the interest-bearing borrowings is 4.4% per annum.

Each of the New Term Loan Facilities is secured by, *inter alia*:

(i) pledges over 100% of the issued and outstanding equity interests of all direct and indirect subsidiaries of US Corp and the three ASAP Property Borrowers that own a Borrowing Base Property, together with all present and future intercompany debt of such subsidiary owing to US Corp, and the Cayman Islands incorporated holding companies which own the three ASAP Property Borrowers; and

(ii) pledges over the security deposits and rents received from the Master Lessees in respect of the Borrowing Base Properties.

The ASAP Mortgage Loans are secured or guaranteed by, *inter alia*:

(i) pledges over certain investment properties (note 6);

(ii) certain bank accounts of EH-REIT's subsidiaries; and

(iii) a non-recourse carve-out guarantee and environmental indemnity from the Founders and EH-REIT and/or EHT USI, Inc..

EH-REIT has agreed to indemnify the Founders against liabilities arising under each non-recourse carve-out guarantee and environmental indemnity to the extent not caused, directly or indirectly, by the Founders.

11. Lease liabilities

	As at Listing Date US$'000
Lease liabilities	
– Current	18
– Non-current	6,357
	6,375

Lease liabilities relate to the present value of the ground rent payments for The Queen Mary Long Beach that are not paid to the landlord as at the Listing Date.

	As at Listing Date US$'000
Maturity analysis – contractual undiscounted cash flows	
– Less than one year	300
– One to five years	1,200
– More than five years	17,550
Total undiscounted lease liabilities as at the Listing Date	19,050

12. Units in issue

	Number of units '000	As at Listing Date US$'000
Stapled securities in issue	867,888	676,953

Each EH-REIT Unit is stapled together with a unit in EH-BT under the terms of a stapling deed dated 11 April 2019 entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager and cannot be traded separately.

A holder of the Stapled Security represents an undivided interest in EH-REIT Group and EH-BT Group. Holders of Stapled Securities have no equitable or proprietary interest in the underlying assets of EH-REIT and EH-BT and are not entitled to the transfer to it of any asset (or any part thereof) or any estate, any interest in any asset (or any part thereof) of EH-REIT and EH-BT.

The liability of a holder of the Stapled Securities is limited to the amount paid or payable for the Stapled Securities.

Under the EH-REIT Trust Deed, the EH-BT Trust Deed and the Stapling Deed, every Stapled Security carries the same voting rights.

13. Financial risk management

The Pro Forma Group's activities expose it to credit risk, liquidity risk, market risk (including interest rate risk and currency risk) in the normal course of its business. The Pro Forma Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Pro Forma Group's financial performance.

The REIT Manager identifies, evaluates and manages financial risks and provides guidelines for overall risk management, covering specific areas, such as mitigating credit risk, liquidity risk and interest rate risk.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Pro Forma Group as and when they fall due.

The Pro Forma Group has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Cash is placed with financial institutions which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected credit loss basis. The Pro Forma Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of expected credit loss on cash and cash equivalents is negligible.

At the reporting date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk

Liquidity risk is the risk that the Pro Forma Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Pro Forma Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Pro Forma Group's reputation.

The Pro Forma Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Pro Forma Group's operations and to mitigate the effects of fluctuations in cash flows.

The following are the contractual maturities of financial liabilities including interest payments and excluding the impact of netting agreements:

			Contractual cash flows			
	Note	Carrying amount US$'000	Total US$'000	Within 1 year US$'000	Within 2 to 5 years US$'000	More than 5 years US$'000
As at the Listing Date						
Rental deposits	9	11,199	23,650	–	–	23,650
Trade and other payables^	9	7,691	7,691	3,284	4,407	–
Loans and borrowings	10	500,434	593,275	21,549	452,653	119,073
Lease liabilities	11	6,375	19,050	300	1,200	17,550
		525,699	643,666	25,133	458,260	160,273

^ Excludes deferred income

Interest rate risk

The Pro Forma Group manages its net exposure to interest rate risk by maintaining sufficient lines of credit to achieve acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. The Pro Forma Group is assumed to have entered into hedging contracts to fix the interest rates on at least 75% of its outstanding borrowings.

The Pro Forma Group's interest rate risk arises primarily from its interest-bearing financial liabilities which are variable rate instruments. A change of 10 basis points in interest rates at the reporting date, assuming 75% of the borrowings are hedged, would have increased/(decreased) comprehensive incomes before tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	10 bp increase US$'000	10 bp decrease US$'000
As at the Listing Date		
Variable rate bank loans	(94)	94

Capital management

The Manager's objective when managing capital is to optimise the Pro Forma Group's capital structure within the borrowing limits set out in the Code on Collective Investment Schemes ("CIS") by the Monetary Authority of Singapore to fund future acquisitions and asset enhancement works at the Pro Forma Group's properties. To maintain or achieve an optimal capital structure, the REIT Manager may issue new Stapled Securities or source additional borrowing from both financial institutions and capital markets.

Accounting classifications and fair values

The carrying amounts of financial assets and financial liabilities are as follows:

	Note	Financial assets at amortised cost US$'000	Other financial liabilities US$'000	Total US$'000
As at the Listing Date				
Financial assets not measured at fair value				
Trade and other receivables	7	2,367	–	2,367
Cash and cash equivalents	8	60,794	–	60,794
		63,161	–	63,161
Financial liabilities not measured at fair value				
Rental deposits	9	–	11,199	11,199
Trade and other payables^	9	–	7,691	7,691
Loans and borrowings	10	–	500,434	500,434
Lease liabilities	11	–	6,375	6,375
		–	525,699	525,699

^ Excludes deferred income

14. Commitments

The Pro Forma Group leases out its investment properties. Non-cancellable lease rentals are receivable as follows:

	As at Listing Date US$'000
– within 1 year	58,200
– after 1 year but within 5 years	234,922
– after 5 years	915,571
	1,208,693

The above operating lease receivables are based on the fixed component of the lease receivable under the lease agreements, adjusted for increases in rent where such increases have been provided for under the lease agreements.

15. Other information

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest held by EH-REIT
	%		
Eagle Hospitality Trust S1 Pte. Ltd.	Singapore	Investment holding	100
Eagle Hospitality Trust S2 Pte. Ltd.	Singapore	Investment holding	100
EHT US1, Inc	United States of America	Investment holding	100
EHT CI 1 LLC	Cayman Islands	Investment holding	100
USHIL Holdco Member, LLC	United States of America	Investment holding	100
Urban Commons Danbury A, LLC	United States of America	Property holding	100
Urban Commons Queensway, LLC	United States of America	Property holding	100
UCHIDH, LLC	United States of America	Property holding	100
UCF 1, LLC	United States of America	Property holding	100
UCRDH, LLC	United States of America	Property holding	100
Urban Commons Bayshore A, LLC	United States of America	Property holding	100
UCCONT1, LLC	United States of America	Property holding	100
Urban Commons Cordova A, LLC	United States of America	Property holding	100
Urban Commons Highway 111 A, LLC	United States of America	Property holding	100
Urban Commons Anaheim HI, LLC	United States of America	Property holding	100
Urban Commons 4th Street A, LLC	United States of America	Property holding	100
Urban Commons Riverside Blvd A, LLC	United States of America	Property holding	100
CI Hospitality Investment, LLC	Cayman Islands	Investment holding	100

Name of subsidiaries	Country of incorporation	Principal activities	Effective equity interest held by EH-REIT
	%		
ASAP Cayman Atlanta Hotel, LLC	Cayman Islands	Investment holding	100
ASAP Cayman Salt Lake City, LLC	Cayman Islands	Investment holding	100
ASAP Cayman Denver Tech, LLC	Cayman Islands	Investment holding	100
ASAP Cayman Dallas Galleria, LLC	Cayman Islands	Investment holding	100
ASAP Cayman Houston Galleria, LLC	Cayman Islands	Investment holding	100
ASAP Cayman Woodbridge Hotel, LLC	Cayman Islands	Investment holding	100
Atlanta Hotel Holdings, LLC	United States of America	Investment holding	100
ASAP Salt Lake City Hotel, LLC	United States of America	Investment holding	100
Sky Harbor Denver Holdco, LLC	United States of America	Investment holding	100
ASAP DCP Holdings, LLC	United States of America	Investment holding	100
ASAP HHG Holdings, LLC	United States of America	Investment holding	100
ASAP Woodbridge Hotel Holdings, LLC	United States of America	Investment holding	100
Sky Harbor Atlanta Northeast, LLC	United States of America	Property holding	100
5151 Wiley Post Way, Salt Lake City, LLC	United States of America	Property holding	100
Sky Harbor Denver Tech Center, LLC	United States of America	Property holding	100
14315 Midway Road Addison LLC	United States of America	Property holding	100
6780 Southwest FWY, Houston, LLC	United States of America	Property holding	100
44 Inn America Woodbridge Associates, LLC	United States of America	Property holding	100

E MANAGER'S MANAGEMENT FEES AND TRUSTEE'S FEES

Unless defined in this report, capitalised terms below shall have the meanings set out in the Glossary to the Prospectus.

(i) Manager's Management Fees

The REIT Manager is entitled under the Trust Deed to management fees comprising the base fee and performance fee as follows:

(a) A base fee of 10% per annum of the Annual Distributable Income (as defined in the EH-REIT Trust Deed) of E-REIT and calculated before accounting for the base fee and performance fee; and

(b) A performance fee of 25% per annum of the increase in the DPS in a financial year over the DPS in the preceding year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Stapled Securities in issue for such financial year. The performance fee is only payable if the DPS in any financial year exceeds the DPS in the preceding financial year, notwithstanding that the DPS in the financial year where the performance fee is payable may be less than the DPS in any preceding year.

(ii) REIT Trustee's Fees

The REIT Trustee is entitled under the Trust Deed to a fee not exceeding 0.1% per annum of the value of EH-REIT's Deposited Property (as defined in the Prospectus) of EHT, subject to a minimum of S$15,000 per month. The REIT Trustee will also be paid a one-time inception fee, as may be agreed between the REIT Trustee and the REIT Manager, subject to a maximum of up to S$60,000.

INDEPENDENT PROPERTY VALUATION SUMMARY REPORTS

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12 April 2019

Eagle Hospitality REIT Management Pte. Ltd.
(in its capacity as manager of Eagle Hospitality Real Estate Investment Trust)
50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

Eagle Hospitality Business Trust Management Pte. Ltd.
(in its capacity as trustee-manager of Eagle Hospitality Business Trust)
50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

DBS Trustee Limited
(in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
12 Marina Boulevard
Level 44 Marina Bay Financial Centre Tower 3
Singapore 018982

Dear Sirs,

RE: Valuation of a portfolio of 18 hotels located across the USA ("the Portfolio Properties")

We refer to your instructions of 9 October 2018 to undertake a valuation in respect of the 18 properties set out below ("the Portfolio Properties") for the purposes of an Initial Public Offering (IPO) of 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 December 2018. We understand that the Valuation Summary may be included in the prospectus to be issued in connection with the IPO.

The Portfolio Properties and their respective valuations are listed in the table below.

S/N	Abbrev.	Property	Tenure[1]	# Rooms	Value (US$)	Implied Yield (on 2020 earnings)	Cumulative Capex Last Five Years and Planned (US$)
1	SPH	Sheraton Pasadena	Freehold	311	98,900,000	6.2%	15.6m
2	HIA	Holiday Inn Hotel & Suites Anaheim	Freehold	255	71,100,000	6.3%	1.8m
3	ESAN	Embassy Suites by Hilton Anaheim North	Freehold	223	48,200,000	6.2%	9.3m
4	HISM	Holiday Inn Hotel & Suites San Mateo	Freehold	219	66,700,000	7.1%	5.6m 6.0m (2021)
5	FPSJ	Four Points by Sheraton San Jose Airport	Freehold	195	63,300,000	6.5%	6.3m
6	WSAC	The Westin Sacramento	Freehold	101	37,600,000	6.0%	2.7m
7	ESPD	Embassy Suites by Hilton Palm Desert	Freehold	198	30,400,000	6.2%	9.0m
8	QUEEN	The Queen Mary Long Beach	Leasehold	347	179,700,000	6.8%	23.5m
9	RDH	Renaissance Denver Stapleton	Freehold	400	81,800,000	6.5%	16.8m
10	HIDH	Holiday Inn Denver East - Stapleton	Freehold	298	44,300,000	7.2%	10.9m
11	SDTC	Sheraton Denver Tech Center	Freehold	263	31,300,000	6.5%	3.6m 2.5m (2021)
12	OHIR	Holiday Inn Resort Orlando Suites - Waterpark	Freehold	777	170,700,000	6.2%	27.5m
13	CPDL	Crowne Plaza Dallas Near Galleria - Addison	Freehold	428	56,700,000	6.2%	3.5m 4.5m (2022)
14	HHG	Hilton Houston Galleria Area	Freehold	292	47,600,000	6.5%	9.7m 1.5m (2019)
15	RW	Renaissance Woodbridge	Freehold	312	70,000,000	6.1%	20.6m
16	CPD	Crowne Plaza Danbury	Freehold	242	10,200,000	6.2%	0.3m
17	SLC	Doubletree by Hilton Salt Lake City Airport	Freehold	288	53,800,000	6.7%	7.6m 0.5m (2019)
18	HAN	Hilton Atlanta Northeast	Freehold	271	49,000,000	6.7%	13.0m
		TOTAL		**5,420**	**1,211,300,000**	6.5%	

[1] Freehold is the equivalent of 'Fee Simple' as defined under IVS and USPAP respectively.

Source: Colliers estimates

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 RICS, International Valuation Standards (IVS), 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 will assume 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

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.

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 multiple 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.

All 18 properties are subject to a Master Lease Agreement. Rental income has been forecast based on the proposed master lease structure as provided by the Client.

(i) Each Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor, with the exception of Queen Mary where all costs are borne by lessee.

(ii) Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount. The only exception to this is The Queen Mary, whose variable rent is calculated as a percentage of GOP without deducting the fixed amount.

(iii) A rental guarantee amounting to nine months of the base rent is provided by the Sponsor for each property. This does not amount to income support.

(iv) 10 of the Properties are on long leases of 20 years plus 20, while the remaining 8 of the Properties are on long leases of 20 years plus 14, all commencing on the date of the IPO.

(v) Fixed rent is assumed to remain the same throughout the lease period; with variable rent increasing and decreasing in line with GOR and GOP. For the Queen Mary, fixed rent also escalates at a rate of 2.0% per annum.

(vi) There are no provisions for rent reviews nor extensions within the lease structure.

(vii) We note that all Properties have recently (within the last three years) been refurbished, with some Properties scheduled for refurbishment between 2019 and 2022. As such, apart from Holiday Inn & Suites San-Mateo, where the REIT will bear the costs of the refurbishment post listing, no extraordinary capex assumptions have been made.

The valuation and market information are not guarantees or predictions and must be read in consideration of the following:

- 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 Consultancy and Valuation (Singapore) Pte Ltd.

Govinda Singh FCCA FCMA MRICS

Executive Director

Valuation and Advisory Services | Asia

VALUATION CERTIFICATE

SHERATON PASADENA (SPH)

Property / Address	:	Sheraton Pasadena located at 303 Cordova Street, Pasadena 91101, CA USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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 1976. 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
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.
Tenancy Profile:	:	EHT orlando, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with Marriott under the well-known Sheraton brand by EHT CDPCT, LLC. It is managed by Brighton Management LLC. Long lease of 20 plus 14 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor. Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable rent are set as follows:

Base rent: US$4,200,000
Variable rent: 22% of GOR plus 24% of GOP

Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount.

A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.

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' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.20%
Discount Rate	:	8.20%
Date of Valuation	:	31 December 2018
Valuation	:	**US$98,900,000** (Ninety-Eight Million, Nine Hundred Thousand United States Dollars Only) Value per room: US$318,006 Implied Yield: 6.2% (based on 2020 stabilised net income)
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 9 October 2018, 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	:	Govinda Singh FCCA FCMA MRICS Executive Director and Registered Valuer Colliers International He has 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 ANAHEIM (HIA)

Property / Address	:	Holiday Inn Hotel & Suites Anaheim located at 1240 S Walnut St, Anaheim, CA 92802, USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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 1979. 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
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.
Tenancy Profile:	:	EHT HIA, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with IHG under the well-known Holiday Inn brand by EHT HIA, LLC. It is managed by Brighton Management LLC. Long lease of 20 plus 14 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor. Rent is on

		a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable rent is set as follows: Base rent: US$3,000,000 Variable rent: 26% of GOR plus 25% of GOP Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount. A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.
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' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.25%
Discount Rate	:	8.25%
Date of Valuation	:	31 December 2018
Valuation	:	**US$71,100,000** (Seventy-One Million and One Hundred Thousand United States Dollars Only) Value per room: US$278,824 Implied Yield: 6.3% (based on 2020 stabilised net income)
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 9 October 2018, 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	:	Govinda Singh FCCA FCMA MRICS Executive Director and Registered Valuer Colliers International He has 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 Anaheim, CA 92806, USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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 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 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	:	UFC1 LLC
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.
Tenancy Profile:	:	EHT ESAN, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with Hilton under the well-known Embassy Suites brand by EHT ESAN, LLC . It is managed by Brighton Management LLC. Long lease of 20 plus 14 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor. Rent is on a fixed (base) plus variable basis, with the variable component set as a

		percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable rent is set as follows: Base rent: US$2,100,000 Variable rent: 20% of GOR plus 17% of GOP Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount. A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.
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' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.25%
Discount Rate	:	8.25%
Date of Valuation	:	31 December 2018
Valuation	:	**US$48,200,000** (Forty-Eight Million, Two Hundred Thousand United States Dollars Only) Value per room: US$216,143 Implied Yield: 6.2% (based on 2020 stabilised net income)
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 9 October 2018, 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	:	Govinda Singh FCCA FCMA MRICS Executive Director and Registered Valuer Colliers International He has 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, 94401, CA USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.
Tenancy Profile:	:	EHT HISM, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with IHG under the well-known Holiday Inn brand by EHT HISM, LLC. It is managed by Brighton Management LLC. Long lease of 20 plus 14 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property

insurance and land rent borne by the master lessor. Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable rent is set as follows:

Base rent: US$3,300,000
Variable rent: 28% of GOR plus 29% of GOP

Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount.

A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.

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' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.50%
Discount Rate	:	8.50%
Date of Valuation	:	31 December 2018
Valuation	:	**US$66,700,000** (Sixty-Six Million, Seven Hundred Thousand United States Dollars Only) Value per room: US$304,566 Implied Yield: 7.1% (based on 2020 stabilised net income)
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 9 October 2018, 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	:	Govinda Singh FCCA FCMA MRICS Executive Director and Registered Valuer Colliers International He has 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 95112, CA USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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 1984. 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
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.
Tenancy Profile:	:	EHT FPSJ, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with Marriott under the well-known Four Points by Sheraton brand by EHT FPSJ, LLC. It is managed by Brighton Management LLC. Long lease of 20 plus 14 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor. Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable

rent is set as follows:

Base rent: US$2,800,000
Variable rent: 24% of GOR plus 24% of GOP

Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount.

A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.

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' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.50%
Discount Rate	:	8.50%
Date of Valuation	:	31 December 2018
Valuation	:	**US$63,300,000** (Sixty-Three Million, Three Hundred Thousand United States Dollars Only) Value per room: US$324,615 Implied Yield: 6.5% (based on 2020 stabilised net income)
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 9 October 2018, 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	:	Govinda Singh FCCA FCMA MRICS Executive Director and Registered Valuer Colliers International He has 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 95822, CA USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.

Tenancy Profile:	:	EHT WSAC, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with Marriott under the well-known Westin brand by EHT WSAC, LLC. It is managed by Brighton Management LLC. Long lease of 20 plus 14 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor. Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable rent is set as follows: Base rent: US$1,600,000 Variable rent: 23% of GOR plus 22% of GOP Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount. A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.
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' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.00%
Discount Rate	:	8.00%
Date of Valuation	:	31 December 2018
Valuation	:	**US$37,600,000** (Thirty-Seven Million, Six Hundred Thousand United States Dollars Only) Value per room: US$372,277 Implied Yield: 6.0% (based on 2020 stabilised net income)
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 9 October 2018, 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.

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Executive Director and Registered Valuer
Colliers International

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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 92260, CA USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.
Tenancy Profile:	:	EHT ESPD, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with Hilton under the well-known Embassy Suites brand by EHT ESPD, LLC. It is managed by Brighton Management LLC. Long lease of 20 plus 14 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor. Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable rent is set as follows:

		Base rent: US$1,400,000 Variable rent: 18% of GOR plus 17% of GOP Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount. A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.
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' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.25%
Discount Rate	:	8.25%
Date of Valuation	:	31 December 2018
Valuation	:	**US$30,400,000** (Thirty Million and Four Hundred Thousand United States Dollars Only) Value per room: US$153,535 Implied Yield: 6.2% (based on 2020 stabilised net income)
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 9 October 2018, 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.
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VALUATION CERTIFICATE

THE QUEEN MARY LONG BEACH

Property / Address	:	Hotel Queen Mary Long Beach 1126 Queens Hwy Long Beach, CA 90802, USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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, 347-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.
Tenure	:	Long leasehold property commencing 1 November 2016 for 66 years. Rent is set at a variable rate, with a minimum rent in place.
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 subject to a sub-let long lease.
Tenancy Profile:	:	EHT QMLB, LLC fully occupies and operates the subject Property as a full-service hotel and leisure attraction. It is managed by Evolution Hospitality LLC.

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		Long lease of 20 plus 14 years commencing on the date of the IPO. The Property is subject to a master lease agreement on a triple net basis with property taxes, property insurance and land rent borne by the master lessee. Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of operating profit (GOP). Base and variable rent is set as follows: Base rent: US$10,400,000 Variable rent: 8% of GOP A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.
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' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.75%
Discount Rate	:	8.75%
Date of Valuation	:	31 December 2018
Valuation	:	**US$179,700,000** (One Hundred and Seventy-Nine Million, Seven Hundred Thousand United States Dollars Only) Value per room: US$517,867 Implied Yield: 6.8% (based on 2020 stabilised net income)
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 9 October 2018, 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.

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VALUATION CERTIFICATE

RENAISSANCE DENVER STAPLETON (RDH)

Property / Address	:	Renaissance Denver Stapleton Hotel located at 3801 Quebec Street, Denver 80207, Colorado, USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.
Tenancy Profile:	:	EHT RDH, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with Marriott under the well-known Renaissance brand by EHT RDH, LLC. It is managed by Pyramid Denver Management LLC. Long lease of 20 plus 20 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor. Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable rent is set as follows: Base rent: US$3,900,000 Variable rent: 17% of GOR plus 24% of GOP

Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount.

A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.

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' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.5%
Discount Rate	:	8.5%
Date of Valuation	:	31 December 2018
Valuation	:	**US$81,800,000** (Eighty-One Million, Eight Hundred Thousand United States Dollars Only) Value per room: US$204,500 Implied Yield: 6.5% (based on 2020 stabilised net income)
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 9 October 2018, 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	:	Govinda Singh FCCA FCMA MRICS Executive Director and Registered Valuer Colliers International He has 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 80207, Colorado, USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.
Tenancy Profile:	:	EHT HIDH, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with IHG under the well-known Holiday Inn brand by EHT HIDH, LLC. It is managed by Pyramid Denver Quebec Street Management LLC. Long lease of 20 plus 20 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor. Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable rent is set as follows: Base rent: US$2,300,000 Variable rent: 20% of GOR plus 22% of GOP

Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount.

A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.

Building Area	:	Gross Land Area: 90,605 sq ft (circa 2.08 acres). Gross Floor Area: 159,573 sq ft
Basis of Valuation	:	Market Value, 'As is' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 7.00%
Discount Rate	:	9.00%
Date of Valuation	:	31 December 2018
Valuation	:	**US$44,300,000** (Forty-Four Million, Three Hundred Thousand United States Dollars Only) Value per room: US$146,658 Implied Yield: 7.2% (based on 2020 stabilised net income)
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 9 October 2018, 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	:	Govinda Singh FCCA FCMA MRICS Executive Director and Registered Valuer Colliers International He has 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, Denver 80112 Colorado, USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.
Tenancy Profile:	:	EHT SDTC, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with Marriott under the well-known Marriott brand by EHT SDTC, LLC. It is managed by Interstate Management Company LLC. Long lease of 20 plus 20 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor. Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable rent is set as follows:

		Base rent: US$1,800,000 Variable rent: 16% of GOR plus 18% of GOP Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount. A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.
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' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.50%
Discount Rate	:	8.50%
Date of Valuation	:	31 December 2018
Valuation	:	**US$31,300,000** (Thirty-One Million, Three Hundred Thousand United States Dollars Only) Value per room: US$119,011 Implied Yield: 6.5% (based on 2020 stabilised net income)
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 9 October 2018, 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	:	Govinda Singh FCCA FCMA MRICS Executive Director and Registered Valuer Colliers International He has 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, 32821, Florida, USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.
Tenancy Profile:	:	EHT HIOR, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with IHG under the well-known Holiday Inn brand by EHT HIOR, LLC. It is managed by Pyramid Orlando I Drive Management LLC. Long lease of 20 plus 20 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor. Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable rent are set as follows:

Base rent: US$7,500,000
Variable rent: 19% of GOR plus 22% of GOP

Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount.

A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.

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' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.20%
Discount Rate	:	8.20%
Date of Valuation	:	31 December 2018
Valuation	:	**US$170,700,000** (One Hundred and Seventy Million, Seven Hundred Thousand United States Dollars Only) Value per room: US$219,691 Implied Yield: 6.2% (based on 2020 stabilised net income)
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 9 October 2018, 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	:	Govinda Singh FCCA FCMA MRICS Executive Director and Registered Valuer Colliers International He has 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 (CPDL)

Property / Address	:	Crowne Plaza Dallas Galleria located at 14315 Midway Road Addison, Houston, 75001 Texas, USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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 1994. 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
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.
Tenancy Profile:	:	EHT CPDGA, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with IHG under the well-known Crowne Plaza brand by EHT CPDGA, LLC. It is managed by M&R Hospitality Management Corporation. Long lease of 20 plus 20 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor. Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable rent is set as follows:

Base rent: US$2,500,000
Variable rent: 18% of GOR plus 20% of GOP

Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount.

A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.

Building Area	:	Gross Land Area: 302,305 sq ft (circa 6.9 acres) Gross Floor Area: 273,481 sq ft
Basis of Valuation	:	Market Value, 'As is' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.75%
Discount Rate	:	8.75%
Date of Valuation	:	31 December 2018
Valuation	:	**US$56,700,000** (Fifty-Six Million, Seven Hundred Thousand United States Dollars Only) Value per room: US$132,476 Implied Yield: 6.2% (based on 2020 stabilised net income)
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 9 October 2018, 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	:	Govinda Singh FCCA FCMA MRICS Executive Director and Registered Valuer Colliers International He has 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 77074 Texas, USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.
Tenancy Profile:	:	EHT HHG, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with Hilton under the well-known Hilton brand by EHT HHG, LLC. It is managed by Pyramid HHG Management LLC. Long lease of 20 plus 20 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor. Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable rent is set as follows: Base rent: US$2,200,000 Variable rent: 22% of GOR plus 20% of GOP

		Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount. A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.
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' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.50%
Discount Rate	:	8.50%
Date of Valuation	:	31 December 2018
Valuation	:	**US$47,600,000** (Forty-Seven Million, Six Hundred Thousand United States Dollars Only) Value per room: US$163,013 Implied Yield: 6.5% (based on 2020 stabilised net income)
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 9 October 2018, 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	:	Govinda Singh FCCA FCMA MRICS Executive Director and Registered Valuer Colliers International He has 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 WOODBRIDGE (RW)

Property / Address	:	Renaissance Woodbridge located at 515 Route 1 South, Iselin 08830, New Jersey, USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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 Woodbridge Hotel, is a seven-storey, 312-room, full-service lodging facility built in 1986. 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, laundry, and retail.
Registered Owner	:	44 Inn America Woodbridge Associates LLC
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.
Tenancy Profile:	:	EHT RWH, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with Marriott under the well-known Renaissance brand by EHT RWH, LLC. It is managed by Pyramid Woodbridge Management LLC. Long lease of 20 plus 20 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor. Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable rent is set as follows:

		Base rent: US$3,400,000 Variable rent: 19% of GOR plus 19% of GOP Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount. A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.
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' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.20%
Discount Rate	:	8.15%
Date of Valuation	:	31 December 2018
Valuation	:	**US$70,000,000** (Seventy Million United States Dollars Only) Value per room: US$224,359 Implied Yield: 6.1% (based on 2020 stabilised net income)
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 9 October 2018, 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	:	Govinda Singh FCCA FCMA MRICS Executive Director and Registered Valuer Colliers International He has 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 06810, Connecticut, USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.
Tenancy Profile:	:	EHT CPDCT, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with IHG under the well-known Crowne Plaza brand by EHT CPDCT, LLC. It is managed by Pyramid Danbury Management LLC. Long lease of 20 plus 20 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor. Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable rent is set as follows:

		Base rent: US$800,000 Variable rent: 10% of GOR plus 10% of GOP Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount. A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.
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' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.20%
Discount Rate	:	8.20%
Date of Valuation	:	31 December 2018
Valuation	:	**US$10,200,000** (Ten Million, Two Hundred Thousand United States Dollars Only) Value per room: US$42,148 Implied Yield: 6.2% (based on 2020 stabilised net income)
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 9 October 2018, 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	:	Govinda Singh FCCA FCMA MRICS Executive Director and Registered Valuer Colliers International He has 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 (SLC)

Property / Address	:	Doubletree by Hilton Salt Lake City Airport located at 5151 Wiley Post Way 84116, Salt Lake City, Utah, USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.
Tenancy Profile:	:	EHT DHSLC, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with Hilton under the well-known Hilton brand by EHT DHSLC, LLC. It is managed by Pyramid Slat Lake Management LLC. Long lease of 20 plus 20 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor. Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable rent is set as follows:

		Base rent: US$2,600,000 Variable rent: 21% of GOR plus 22% of GOP Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount. A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.
Building Area	:	Gross Land Area: 313,630 sq ft (circa 7.2 acres) Gross Floor Area: 187,199 sq ft
Basis of Valuation	:	Market Value, 'As is' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.75%
Discount Rate	:	8.75%
Date of Valuation	:	31 December 2018
Valuation	:	**US$53,800,000** (Fifty- Three Million, Eight Hundred Thousand United States Dollars Only) Value per room: US$186,805 Implied Yield: 6.7% (based on 2020 stabilised net income)
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 9 October 2018, 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	:	Govinda Singh FCCA FCMA MRICS Executive Director and Registered Valuer Colliers International He has 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, Norcross, 30092, Atlanta, Georgia, USA.
Client	:	Eagle REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust) DBS Trustee Limited (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust)
Purpose	:	Listing 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
Tenure	:	Freehold property
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	:	Freehold property subject to a long lease.
Tenancy Profile:	:	EHT HAN, LLC fully occupies and operates the subject Property as a full-service hotel. The hotel is operated under a franchise with Hilton under the well-known Hilton brand by EHT HAN, LLC. It is managed by Crestline Hotels & Resorts LLC. Long lease of 20 plus 20 years commencing on the date of the IPO. The Property is subject to a master lease agreement with property taxes, property insurance and land rent borne by the master lessor. Rent is on a fixed (base) plus variable basis, with the variable component set as a percentage of gross operating revenue (GOR) plus a percentage of operating profit (GOP). Base and variable rent is set as follows:

		Base rent: US$2,400,000 Variable rent: 19% of GOR plus 20% of GOP Variable rent is calculated after deducting the fixed amount, with an implied minimum rent therefore of at least the fixed amount. A rental guarantee is provided by the REIT's Sponsor which amounts to nine months of the base rent.
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' basis
Valuation Approach	:	Income (DCF) Method
Terminal Capitalization Rate	:	Terminal cap rate: 6.75%
Discount Rate	:	8.75%
Date of Valuation	:	31 December 2018
Valuation	:	**US$49,000,000** (Forty-Nine Million United States Dollars Only) Value per room: US$180,812 Implied Yield: 6.7% (based on 2020 stabilised net income)
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 9 October 2018, 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	:	Govinda Singh FCCA FCMA MRICS Executive Director and Registered Valuer Colliers International He has 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.

29 April 2019

DBS Trustee Limited
(in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust) (the "**REIT Trustee**")
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Level 44
Singapore 018982

Eagle Hospitality REIT Management Pte. Ltd.
(in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) (the "**REIT Manager**")
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Eagle Hospitality Business Trust Management Pte. Ltd.
(in its capacity as trustee-manager of Eagle Hospitality Business Trust) (the "**Trustee-Manager**")
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Re: VALUATION SUMMARIES FOR A PORTFOLIO OF 18 PROPERTIES IN UNITED STATES OF AMERICA

We are pleased to submit to you our Valuation Summaries for the following properties (collectively the "Hotels" and / or the "Properties and each a "Property"):

S/N	Property	No. of Keys	Tenure
1	Sheraton Pasadena	311	Fee Simple
2	Holiday Inn Hotel & Suites Anaheim	255	Fee Simple
3	Embassy Suites by Hilton Anaheim North	223	Fee Simple
4	Holiday Inn Hotel & Suites San Mateo	219	Fee Simple
5	Four Points by Sheraton San Jose Airport	195	Fee Simple
6	The Westin Sacramento	101	Fee Simple
7	Embassy Suites by Hilton Palm Desert	198	Fee Simple
8	The Queen Mary Long Beach	347	66 years from 1 November 2016
9	Renaissance Denver Stapleton	400	Fee Simple
10	Holiday Inn Denver East - Stapleton	298	Fee Simple
11	Sheraton Denver Tech Center	263	Fee Simple
12	Holiday Inn Resort Orlando Suites - Waterpark	777	Fee Simple
13	Crowne Plaza Dallas Near Galleria - Addison	428	Fee Simple
14	Hilton Houston Galleria Area	292	Fee Simple
15	Renaissance Woodbridge	312	Fee Simple
16	Crowne Plaza Danbury	242	Fee Simple
17	Doubletree by Hilton Hotel Salt Lake Airport	288	Fee Simple
18	Hilton Atlanta Northeast	271	Fee Simple

1.0 Client Brief and Purpose of Valuation

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust) (collectively with the REIT Trustee and REIT Manager, the "Client" or "you") to provide our opinion of Market Value of the above-mentioned properties as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Our instructions were confirmed by way of signed acceptance by the Client of our proposal dated 10 October 2018.

We have inspected the Properties and prepared a comprehensive formal valuation report for each of the Properties (the "Reports") in accordance with the instructions for the purpose of providing you with our opinion of the market values of the Properties in their existing state as at 31 December 2018.

For the purpose of disclosure in the Prospectus in relation to the initial public offering of Eagle Hospitality Trust, we have prepared this letter which summaries our Reports and outlines the key factors which have been considered

in arriving at our opinion of the Market Value. For further information to that contained herein, reference should be made to the Reports.

HVS has assessed the properties' interests as independent international appraisers. We hereby certify that we have no undisclosed interest in the properties and our employment and compensation are not contingent upon our findings and valuation.

2.0 Basis of Valuation

The valuation is prepared in accordance with the International Valuation Standards Committee ('IVSC') definition of Market Value, which is:

"The estimated amount for which an asset 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 has each acted knowledgeably, prudently and without compulsion."

Additionally, our assessment will be on the basis of the existing use of the properties only with appropriate approvals and licenses in place.

3.0 Valuation Rationale

For hospitality properties, we commonly adopt the Discounted Cashflow Analysis (DCF) which is mainly considered by prospective investors as well as the Direct Sales Comparison Approach.

A) Income Approach (Discounted Cashflow Analysis)

To arrive at an estimate of the hotel's market value under a Master Lease, we will first prepare a 10-year income and expenditure projection of the hotel. This forecast represents what a potential purchaser would adopt as being realistic estimates of the hotel's future income potential and may not necessarily be the same as current hotel management may project, but represents what a prospective purchaser might believe is reasonable as a basis for acquisition. This cashflow projection is used to determine the Base and Variable rents. We will estimate the 10-year annual net rent after deducting all necessary stipulated outgoings.

In addition to the ten-year net rent cashflow forecast, the projected cashflow for Year 10 is increased by an estimated growth rate to arrive at the new cashflow for Year 11 and capitalised for the remaining term of the property tenure. To the net cashflows, we have applied a DCF rate to arrive at the total investment amount under a Master Lease Arrangement.

Capitalisation Rate and Discount Rate

The capitalisation rate is the rate of return on a real estate investment property based on the income that the property is expected to generate. The capitalisation rate is used to estimate the investor's potential return on his or her investment. It takes into consideration the remaining lease term, market risk and return profile, product quality, location and the expected trading performance of the subject Property; etc

The discount rate refers to the interest rate used in discounted cash flow (DCF) analysis to determine the present value of future cash flows. The discount rate in DCF analysis takes into account not just the time value of money, but also the risk or uncertainty of future cash flows.

As we have reflected the risk element in our capitalisation rate, the discount rate that we adopt would take into account the time value for money; ie capitalisation rate plus the long term inflation rate for the country.

B) Direct Sales Comparison Approach

The Sales Comparison Approach estimates the value of a property by comparing it to similar properties recently sold on the open market. To obtain a supportable estimate of value, the sales price of a comparable property should be adjusted to reflect any dissimilarity between the comparable property and the Property. This approach is often used as a cross check.

Master Lease Arrangement

A master lease agreement will be entered into for each of the Properties and the lease terms are as follows:

S/N	Property	Base Rent	Variable Rent		Cumulative Capex Last Five Years
		USD	% of Gross Operating Revenue (GOR)	% of Gross Operating Profit (GOP)	USD
1	Sheraton Pasadena	4,200,000	22%	24%	15.6
2	Holiday Inn Hotel & Suites Anaheim	3,000,000	26%	25%	1.8
3	Embassy Suites by Hilton Anaheim North	2,100,000	20%	17%	9.3
4	Holiday Inn Hotel & Suites San Mateo*	3,300,000	28%	29%	5.6
5	Four Points by Sheraton San Jose Airport	2,800,000	24%	24%	6.3
6	The Westin Sacramento	1,600,000	23%	22%	2.7
7	Embassy Suites by Hilton Palm Desert	1,400,000	18%	17%	9.0
8	The Queen Mary Long Beach	10,400,000	-	8%	23.5
9	Renaissance Denver Stapleton	3,900,000	17%	24%	16.8
10	Holiday Inn Denver East - Stapleton	2,300,000	20%	22%	10.9
11	Sheraton Denver Tech Center	1,800,000	16%	18%	3.6
12	Holiday Inn Resort Orlando Suites - Waterpark	7,500,000	19%	22%	27.5
13	Crowne Plaza Dallas Near Galleria - Addison	2,500,000	18%	20%	3.5
14	Hilton Houston Galleria Area	2,200,000	22%	20%	9.7
15	Renaissance Woodbridge	3,400,000	19%	19%	20.6
16	Crowne Plaza Danbury	800,000	10%	10%	0.3
17	Doubletree by Hilton Hotel Salt Lake Airport	2,600,000	21%	22%	7.6
18	Hilton Atlanta Northeast	2,400,000	19%	20%	13.0

In addition to the above lease arrangement, the REIT Trustee

a) Bears the property insurance, property tax, land lease (if any) and ongoing capital expenditure for the bulk of the properties;

b) Receives FF&E reserves as follows:

Property	FF&E Reserve
The Queen Mary Long Beach	2% of Total Revenue (2019) 3% of Total Revenue (2020 onwards)
The rest of the Properties	4% of Room Revenue
Renaissance Woodbridge	5% of Total Revenue

c) Receives rental income from The Queen Mary Long Beach with no further expenses. It is a triple net lease arrangement.

4.0 Premise of the Forecast

The assessment is based on the current as well as expected future conditions as perceived by the market. We do stress that the estimation of future market conditions is a problematic exercise which at best should be regarded as an indicative assessment of possibilities rather than absolute certainties.
Hotels generally change hands in the open market at prices based on the future income potential and it is widely accepted that the valuation approach should be related to the hotel's actual and potential income. Past performance provides a certain level of guidance to the future performance of a hotel, but new macroeconomic factors or local supply issues often mean that a fresh view needs to be taken of the competitive environment the subject Property operates in.

The projections of occupancy, average room rate and indicative cashflow are based on our knowledge and understanding of the market and experience of the operating performance of properties of similar type and standard. The assumptions in respect of future events are our best estimates at the date of preparing the report. To the extent that any of the assumptions noted in our report are not realised, the indicative cashflow projections and estimate of value may be materially affected.

The process of making forward projections involves assumptions regarding a considerable number of variables which are acutely sensitive to changing conditions. To rely upon our valuation therefore, the reader must be satisfied as to the rationale behind these future estimates.

5.0 Planning

Unless otherwise instructed, we do not normally carry out investigations with the various public authorities to confirm that the subject Properties are not adversely affected by any town planning issues such as change in zoning, land use control, public schemes such as road or drainage reserves and so forth. Neither are we in a position to warrant the subject Properties' conformance with

local zoning regulations. If reassurance is required, we recommend that verification be obtained from your solicitor.

HVS has not conducted any legal requisition on the land lease/title, town planning control and other related matters and our valuation is made on the basis that the Properties are free of encumbrances, restrictions or other impediments of an onerous nature which would affect the value. It is advisable for interested parties to seek full legal due diligence advice of a qualified legal solicitor prior to making any legal, financial or other commitments.

6.0 Other Statutory Consents

Our valuation is prepared on the assumption that all necessary permits and approvals have been secured (including an appropriate alcohol licence where applicable), and that the subject Properties (and any works thereof) were constructed in accordance with local zoning ordinances, building codes and all other applicable regulations.

We have assumed that the Properties have a valid fire certificate, complies with environmental health legislation and holds all other necessary licences for the purposes of its operation. Furthermore, we have assumed that there are no outstanding issues in respect of such consents and licences.

We have not inspected any of the licences, approvals, consents, permits or certificates relating to the Properties and assumed that all documents are in order.

7.0 Information Utilised

All information was collected and analysed by the staff of HVS. Information such as historical operating statements, site plans, floor plans and so forth was supplied by the Client. We have assumed that this information is accurate and have therefore relied upon it without undertaking any independent verification.

Should it be revealed that any of this information is inaccurate or misleading so that its use would affect the valuation, HVS seeks to be informed of such discrepancies and accordingly reserves the right to amend its opinion of value.

8.0 Use of Valuation Report

The valuation has been prepared for the purpose stated above. Neither the whole nor any part of the valuation report nor any reference thereto maybe included in any document, circular or statement without our written approval and of the form or context in which it appears.

9.0 Assumptions and Limiting Conditions

A list of major assumptions made in the valuation of the property and the limiting conditions under which the valuation opinion is given is detailed in the Addendum of the valuation certificates. It is a condition of the use of the valuation that the recipient of the certificates accepts these statements.

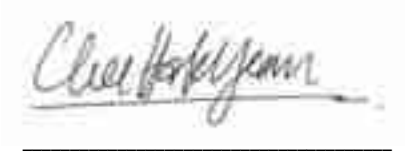
The Valuation Certificates included herein should be read in conjunction with the full valuation reports dated 29 April 2019, which detailed the basis under which the valuations have been prepared.

10.0 Summary of Values

The following table refects a summary of the values for each individual property

S/N	Property	No. of Keys	Tenure	Value as at 31 December 2018	Value per key as at 31 December 2018 Approximately
1	Sheraton Pasadena	311	Fee Simple	114,200,000	370,000
2	Holiday Inn Hotel & Suites Anaheim	255	Fee Simple	77,900,000	310,000
3	Embassy Suites by Hilton Anaheim North	223	Fee Simple	50,800,000	230,000
4	Holiday Inn Hotel & Suites San Mateo*	219	Fee Simple	76,500,000	350,000
5	Four Points by Sheraton San Jose Airport	195	Fee Simple	69,100,000	350,000
6	The Westin Sacramento	101	Fee Simple	43,600,000	430,000
7	Embassy Suites by Hilton Palm Desert	198	Fee Simple	32,100,000	160,000
8	The Queen Mary Long Beach	347	66 years from 1 November 2016	159,400,000	460,000
9	Renaissance Denver Stapleton	400	Fee Simple	88,200,000	220,000
10	Holiday Inn Denver East - Stapleton	298	Fee Simple	50,600,000	170,000
11	Sheraton Denver Tech Center	263	Fee Simple	31,700,000	120,000
12	Holiday Inn Resort Orlando Suites - Waterpark	777	Fee Simple	162,800,000	210,000
13	Crowne Plaza Dallas Near Galleria - Addison	428	Fee Simple	57,800,000	140,000
14	Hilton Houston Galleria Area	292	Fee Simple	48,600,000	170,000
15	Renaissance Woodbridge	312	Fee Simple	76,600,000	250,000
16	Crowne Plaza Danbury	242	Fee Simple	12,000,000	50,000
17	Doubletree by Hilton Hotel Salt Lake Airport	288	Fee Simple	60,900,000	210,000
18	Hilton Atlanta Northeast	271	Fee Simple	55,400,000	200,000
	Total			1,268,200,000	

Yours sincerely,



Chee Hok Yean
Managing Partner
MRICS, MSISV
Licensed Appraiser No. AD0412003997F

HVS No: 2018120072 - 2018120089

VALUATION CERTIFICATE
SHERATON PASADENA

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

Sheraton Pasadena (the "Property") at 303 East Cordova Street, Pasadena, California 91101

Property Interest Valued

Fee Simple Interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 14 years
Base Rent	:	USD4,200,000 per annum
Variable Rent	:	Sum of 22% of Gross Operating Revenue and 24%of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 4% of Room Revenue is outside of rental payment.

Lessee Post IPO

EHT CPPCT, LLC

Land Area

Approximately 97,140 square feet (2.23 acres)

Gross Floor Area

Approximately 158,307 square feet

Parcel Number and Zoning

The Parcel No is 5722-027-043 and it is zoned "Central District 5, Landmark Overlay" (CD-5-LD-23)

Location

Sheraton Pasadena is located near Old Town Pasadena, in the northeast quadrant of the intersection formed by Cordova Street and South Marengo Avenue. The Property has good access from State Highway 134 and Interstate 710. The Hollywood Burbank Airport is located approximately 11 miles to the northwest. Adjacent uses include the Pasadena Civic Auditorium, Pasadena Ice Skating Center and multi-family residence.

Brief Description

Sheraton Pasadena is an upper-upscale, full-service lodging facility. The guestrooms were renovated from October 2016 to June 2017. The lobby and

	public areas were then renovated from June to October 2017; during the renovation, part of the restaurant was converted to a club lounge. The hotel exteriors were painted in the fall of 2018. Reportedly, the hotel's porte cochere and fountain are expected to be renovated, and the driveways are expected to be paved in late 2018. The property, which opened in 1975, features 311 rooms, a restaurant, a lounge, and a club lounge, 10,848 square feet of meeting space, an outdoor pool, a fitness room, a business center, a guest laundry area, and a gift shop (leased).
Occupancy Profile (Managed By)	The Property is currently managed and operated under the Sheraton Brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparision Apporach
Valuation Parameters	Capitalisation Rate: 5.50% Inflation: 1.75% Discount Rate: 7.25%
Date of Inspection	19 October 2018
Date of Valuation	31 December 2018
Valuation	USD114,200,000
Valuation Per Key	USD370,000 (approximately)

VALUATION CERTIFICATE
HOLIDAY INN HOTEL & SUITES ANAHEIM

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

Holiday Inn Hotel & Suites Anaheim (the "Property") at 1240 South Walnut Street, Anaheim, California 92802

Property Interest Valued

Fee Simple Interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 14 years
Base Rent	:	USD3,000,000 per annum
Variable Rent	:	Sum of 26% of Gross Operating Revenue and 25% of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 4% of Room Revenue is outside of rental payment.

Lessee Post IPO

EHT HIA, LLC

Land Area

Approximately 167,710 square feet (3.85 acres)

Gross Floor Area

Approximately 167,880 square feet

Parcel Number and Zoning

The Parcel No is 129-281-12 and it is zoned "Commercial Recreation District" (C-R)

Location

Holiday Inn Hotel & Suites Anaheim is located southwest of Downtown Anaheim, adjacent to the Disneyland Resort, southeast of the intersection formed by West Ball Road and South Walnut Street. The property has good access from Interstate 5/Santa Ana Freeway. The John Wayne Airport is located approximately ten miles to the southeast. Other adjacent uses include United States Postal Service, Springhill suites by Marriott and South Walnut Street.

Brief Description

Holiday Inn Hotel & Suites Anaheim is an upper-midscale, full-service lodging facility. The property has undergone renovations since its opening in 1979,

	most notably in 2013 when renovations associated with a change of ownership property improvement plan (PIP) was completed. The property features 255 rooms, a restaurant and lounge, 3,370 square feet of meeting space, an outdoor pool, an outdoor whirlpool, a splash park, a fitness room, a lobby workstation, a business center, a gift shop (leased), a children's center, a guest laundry room, and vending areas.
Occupancy Profile (Managed By)	The Property is currently managed and operated under the Holiday Inn Brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 5.50% Inflation: 1.75% Discount Rate: 7.25%
Date of Inspection	17 October 2018
Date of Valuation	31 December 2018
Valuation	USD77,900,000
Valuation Per Key	USD310,000 (approximately)

VALUATION CERTIFICATE
EMBASSY SUITES BY HILTON ANAHEIM NORTH

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagel Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

Embassy Suites by Hilton Anaheim North (the "Property") at 3100 East Frontera Street, Anaheim, California 92806

Property Interest Valued

Fee Simple Interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 14 years
Base Rent	:	USD2,100,000 per annum
Variable Rent	:	Sum of 20% of Gross Operating Revenue and 17% of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 4% of Room Revenue is outside of rental payment.

Lessee Post IPO

EHT ESAN, LLC

Land Area

Approximately 252,210 square feet (5.79 acres)

Gross Floor Area

Approximately 195,844 square feet

Parcel Number and Zoning

The Parcel Number is 360-061-15 and it is zoned "Anaheim Canyon Specific Plan Area" (SP 2015-1)

Location

Embassy Suites by Hilton Anaheim North is located northeast of Downtown Anaheim, east of the intersection formed by Frontera Street and Glassell Street. The property has good access from State Highway 91/Riverside Freeway. The John Wayne Airport is located approximately ten miles to the southeast. Adjacent uses include the Frontera Street, Santa Ana River, Recycling Plant, and Xalos Event Center.

Brief Description

Embassy Suites by Hilton Anaheim North is an upscale, full-service lodging facility. The property has undergone some renovations since its opening in

	1984, most notably in 2014 and 2015 when the guestrooms were updated and in 2017 when the public areas were refreshed. The property features 223 rooms, a restaurant and lounge, 8,340 square feet of meeting space, an indoor pool, an indoor whirlpool, a fitness room, a business center, a market pantry, a guest laundry room, and vending areas.
Occupancy Profile (Managed By)	The Property is currently managed and operated under the Embassy Suites by Hilton Brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 6.00% Inflation: 1.75% Discount Rate: 7.75%
Date of Inspection	18 October 2018
Date of Valuation	31 December 2018
Valuation	USD50,800,000
Valuation Per Key	USD230,000 (approximately)

VALUATION CERTIFICATE
HOLIDAY INN HOTEL & SUITES SAN MATEO

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

Holiday Inn Hotel & Suites San Mateo* (the "Property") at 330 North Bayshore Boulevard, San Mateo, San Mateo County, California 94401

Property Interest Valued

Fee Simple Interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 14 years
Base Rent	:	USD3,300,000 per annum
Variable Rent	:	Sum of 28% of Gross Operating Revenue and 29% of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 4% of Room Revenue is outside of rental payment.

Lessee Post IPO

EHT HISM, LLC

Land Area

Approximately 134,165 square feet (3.08 acres)

Gross Floor Area

Approximately 84,700 square feet

Parcel Number and Zoning

The Parcel No is 033-082-160 and it is zoned "Multiple Family Dwellings (High Density)" (R4)

Location

Holiday Inn Hotel & Suites San Mateo* is located in North San Mateo, to the east of the intersection formed by North Bayshore Boulevard and Rogell Avenue, in close proximity to U.S. Highway 101. The San Francisco International Airport is located approximately five miles to the northwest. Adjacent uses include the residential, Dore Avenue, North Bayshore Boulevard and Rogell Avenue.

Brief Description

Opened in 1991, the two lodging facilities - the 172-room Holiday Inn & Suites San Mateo San Francisco Airport SFO and the 47-room San Mateo SFO Airport

	Hotel, features a restaurant and lounge, a breakfast dining area, 2,330 square feet of meeting space, an indoor whirlpool, a fitness room, a business center, two guest laundry rooms, and vending areas.
Occupancy Profile (Managed By)	The Property is currently managed and operated under the Holiday Inn Brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 5.75% Inflation: 1.75% Discount Rate: 7.50%
Date of Inspection	18 October 2018
Date of Valuation	31 December 2018
Valuation	USD76,500,000
Valuation Per Key	USD350,000 (approximately)

VALUATION CERTIFICATE
FOUR POINTS BY SHERATON SAN JOSE AIRPORT

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

Four Points by Sheraton San Jose Airport (the "Property") at 1471 North 4th Street, San Jose, California 95112

Property Interest Valued

Fee Simple Interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 14 years
Base Rent	:	USD2,800,000 per annum
Variable Rent	:	Sum of 24% of Gross Operating Revenue and 24% of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 4% of Room Revenue is outside of rental payment.

Lessee Post IPO

EHT FPSJ, LLC

Land Area

Approximately 119,790 feet (2.75 acres)

Gross Floor Area

Approximately 112,218 square feet

Parcel Number and Zoning

The Parcel Number is 230-29-109 and it is zoned "Commercial General" (CG)

Location

Four Points by Sheraton San Jose Airport is located in North San Jose, to the northwest of the intersection formed by North 4th Street and East Gish Road. The property has good access from U.S. Highway 101 and Interstate 880. The Norman Y. Mineta San Jose International Airport is located approximately one-half mile to the west. Adjacent uses include commercial, retail, residential and North 4th Street.

Brief Description

Four Points by Sheraton San Jose Airport is an upscale, full-service lodging facility. The hotel has undergone multiple renovations since its opening in 1986 and was converted from a Radisson Hotel in 2014. The property features 195

	rooms, a restaurant and lounge, 4,793 square feet of meeting space, an outdoor pool, a fitness room, a business center, a market pantry, and vending areas.
Occupancy Profile (Managed By)	The Property is currently managed and operated under the Four Points by Sheraton Brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 6.00% Inflation: 1.75% Discount Rate: 7.75%
Date of Inspection	17 October 2018
Date of Valuation	31 December 2018
Valuation	USD69,100,000
Valuation per Key	USD350,000 (approximately)

VALUATION CERTIFICATE
THE WESTIN SACRAMENTO

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

The Westin Sacramento (the "Property") at 4800 Riverside Boulevard, Sacramento, California 95822

Property Interest Valued

Fee Simple Interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 14 years
Base Rent	:	USD1,600,000 per annum
Variable Rent	:	Sum of 23% of Gross Operating Revenue and 22% of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 4% of Room Revenue is outside of rental payment.

Lessee Post IPO

EHT WSAC, LLC

Land Area

Approximately 251,780 square feet (5.78 acres)

Gross Floor Area

Approximately 84,429 square feet

Parcel Number and Zoning

The Parcel Numbers are 016-0360-001, 002, and 003 and it is zoned "General Commerical" (C-2-R)

Location

The Westin Sacramento is located in central Sacramento, near the western boundary of the city. The property is situated to the north of the intersection formed by Captains Table Road and Riverside Boulevard. Interstate 8 lies approximately 300 feet to the east. The Property has good access from Interstate 5. Sacramento Airport is located approximately 11 miles northwest of the Property. Adjacent uses include Sacramento River, Riverside Boulevard, Interstate 5/West Side Highway, parking lot and residential.

Brief Description	The Westin Sacramento is an upper-upscale, full-service lodging facility. The hotel was designed and developed as a Le Rivage hotel in 2008 before being converted to a Westin in 2012.The property underwent major renovations from 2012 through 2015. Opened in 2008, the property features 101 rooms, a restaurant, 3,417 square feet of meeting space, an outdoor pool and whirlpool, a fitness room, a spa, two-computer lobby workstation, a market pantry, a marina (closed), a courtyard and event tent, a concierge desk, and vending areas. The marina that is closed will be excluded from the REIT and will retained by the wholly owned entity of Urban Commons.
Occupancy Profile (Managed By)	The Property is currently managed and operated under the Westin brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 5.25% Inflation: 1.75% Discount Rate: 7.00%
Date of Inspection	22 October 2018
Date of Valuation	31 December 2018
Valuation	USD43,600,000
Valuation Per Key	USD430,000 (approximately)

VALUATION CERTIFICATE
EMBASSY SUITES BY HILTON PALM DESERT

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

Embassy Suites by Hilton Palm Desert (the "Property") at 74-700 US Highway 111, Palm Desert, California 92260

Property Interest Valued

Fee Simple Interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 14 years
Base Rent	:	USD1,400,000 per annum
Variable Rent	:	Sum of 18% of Gross Operating Revenue and 17% of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 4% of Room Revenue is outside of rental payment.

Lessee Post IPO

EHT ESPD, LLC

Land Area

Approximately 372,875 square feet (8.56 acres)

Gross Floor Area

Approximately 302,641 square feet

Parcel Number and Zoning

The Parcel Numbers are 625-100-018, 625-100-071 and 625-100-072 and it is zoned "Planned Commercial District" (P.C.)

Location

Embassy Suites by Hilton Palm Desert is located near Downtown Palm Desert, northwest of the intersection formed by State Highway 111 and Village Court, in Palm Desert, California. The Property has good access from State Highway 111 as well as Interstate 10. The Palm Springs International Airport is approximately 11 miles to the Northwest. Adjacent uses are Albertsons, State Highway 111, office buildings and residences.

Brief Description	Embassy Suites by Hilton Palm Desert is an upscale, full-service lodging facility. The hotel was originally built as a Granada Royale in 1984 and was rebranded to an Embassy Suites in 1986 before the comprehensive renovation in 2016/17. The property experienced an electrical fire in December 2017 and the repair of electrical system was scheduled to be completed by November 2018. The property features 198 rooms, a restaurant and lounge, 10,226 square feet of meeting space, an outdoor pool, an outdoor whirlpool, a fitness center, a business center, a market pantry, a guest laundry room, and a tennis court.
Occupancy Profile (Managed By)	The Property is currently managed and operated under the Embassy Suites by Hilton Brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 5.50% Inflation: 1.75% Discount Rate: 7.25%
Date of Inspection	19 October 2018
Date of Valuation	31 December 2018
Valuation	USD32,100,000
Valuation Per Key	USD160,000 (approximately)

VALUATION CERTIFICATE
THE QUEEN MARY LONG BEACH

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

The Queen Mary Long Beach (the "Property") at 1126 Queens Hwy, Long Beach, California 90802.

Property Interest Valued

Unexpired leasehold interest of 66 years, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 14 years
Base Rent	:	USD10,400,000 per annum with 2% increment year-on-year
Variable Rent	:	8% of Gross Operating Profit

Under the Master Lease Agreement, the landlord receives rental with no further expenses. It is a triple net lease arrangement. Furniture and Fitting Reserve of 2% of Total Revenue (2019) and 3% of Total Revenue (2020 onwards) is outside of rental payment.

Lessee Post IPO

EHT QMLB, LLC

Land Area

Approximately 1,899,215 square feet (43.60 acres)

Gross Floor Area

Approximately 978,000 square feet

Parcel Number and Zoning

The Parcel Number is 8940190080 and it is zoned "Planned Development - Queensway Bay" (PD-21)

Location

The Queen Mary Long Beach is located in southern Long Beach, along the Queensway Bay, directly east of the intersection formed by Queens Highway and Harbor Plaza. The Los Angeles International Airport is located approximately 16 miles to the northwest. Adjacent uses include Queens Bay, Los Angeles River, SSA Maritime Services, Port of Long Beach and Pacific Ocean.

Brief Description

The Queen Mary Long Beach is a full-service lodging facility. The property received upgrades since 2013, including the hotel's guestroom renovations, several aspects of the hotel's meeting space, retail establishments, back-of-the-house

	space, attractions, and food and beverage outlets. In addition, extensive renovations to the asset were completed between 2017 and year-to-date 2018 to address structural issues and leaking. Opened in 1936, the property features 346 rentable rooms, three restaurants, a bar/lounge, a café/marketplace, 84,152 square feet of meeting space, a fitness room, a spa, a lobby workstation, a gift shop, and three retail outlets.
Occupancy Profile (Managed By)	The Property is independently managed and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 7.00% Inflation: 1.75% Discount Rate: 8.75%
Date of Inspection	23 October 2018
Date of Valuation	31 December 2018
Valuation	USD159,400,000
Valuation Per Key	USD460,000 (approximately)

VALUATION CERTIFICATE
RENAISSANCE DENVER STAPLETON

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

Renaissance Denver Stapleton (the "Property") on 3801 Quebec Street, Denver, Colorado 80207

Property Interest Valued

Fee Simple Interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 20 years
Base Rent	:	USD3,900,000 per annum
Variable Rent	:	Sum of 17% of Gross Operating Revenue and 24% of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 4% of Room Revenue is outside of rental payment.

Lessee Post IPO

EHT RDH, LLC

Land Area

Approximately 141,570 square feet (3.25 acres)

Gross Floor Area

Approximately 384,124 square feet

Parcel Number and Zoning

The Parcel No is 0120428016000 and it is zoned "Suburban Mixed-Use" (S-MX-12)

Location

Renaissance Denver Stapleton is located East Denver, in the southwest quadrant of the intersection formed by East 39th Avenue and Quebec Street. The Property has good access from Interstate 70. The Denver International Airport is located approximately 12 miles to the northeast. Adjacent uses include the Quality Inn & Suites, residential, Quebec Street and industrial.

Brief Description

Renaissance Denver Stapleton is an upper-upscale, full-service lodging facility. The property has undergone a major renovation in 2017. Opened in 1985, the property features 400 rooms, a restaurant and lounge, 29,078 square feet of

	meeting space, an outdoor pool, an indoor pool and whirlpool, a fitness room, a business center, a gift shop, a guest laundry room, an outdoor sundeck/patio, and vending areas.
Occupancy Profile (Managed By)	The Property is currently managed and operated under the Sheraton Brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 6.00% Inflation: 1.75% Discount Rate: 7.75%
Date of Inspection	19 October 2018
Date of Valuation	31 December 2018
Valuation	USD88,200,000
Valuation Per Key	USD220,000 (approximately)

VALUATION CERTIFICATE
HOLIDAY INN DENVER EAST - STAPLETON

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

Holiday Inn Denver East - Stapleton (the "Property") 3333 Quebec Street, Denver, Colorado 80207

Property Interest Valued

Fee Simple Interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 20 years
Base Rent	:	USD2,300,000 per annum
Variable Rent	:	Sum of 20% of Gross Operating Revenue and 22% of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 4% of Room Revenue is outside of rental payment.

Lessee Post IPO

EHT HIDH, LLC

Land Area

Approximately 90,605 square feet (2.08 acres)

Gross Floor Area

Approximately 159,573 square feet

Parcel Number and Zoning

The Parcel No is 0129101021000 and it is zoned "Suburban Commercial Corridor" (S-CC-3X)

Location

Holiday Inn Denver East - Stapleton is located in East Denver, in the northwest quadrant of the intersection formed by East 33rd Avenue and Quebec Street. The Denver International Airport is located approximately 12 miles to the northeast. The Property has good access from Interstate 70. Adjacent uses include the office building, DoubleTree by Hilton, Quebec Street and residential.

Brief Description

Holiday Inn Denver East - Stapleton is an upper midscale, full-service lodging facility. Opened in 1973, the property has undergone a major renovation over the last year. The property features 298 rooms, a restaurant and bar, 12,825

	square feet of meeting space, an indoor and outdoor pool, an indoor whirlpool, a fitness room, a lobby workstation, a market pantry, a guest laundry room, and vending areas.
Occupancy Profile (Managed By)	The Property is currently managed and operated under the Holiday Inn brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 6.00% Inflation: 1.75% Discount Rate: 7.75%
Date of Inspection	19 October 2018
Date of Valuation	31 December 2018
Valuation	USD50,600,000
Valuation Per Key	USD170,000 (approximately)

VALUATION CERTIFICATE
SHERATON DENVER TECH CENTER

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

Sheraton Denver Tech Center (the "Property") at 7007 South Clinton Street, Greenwood Village, Colorado 80112

Property Interest Valued

Fee Simple interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 20 years
Base Rent	:	USD1,800,000 per annum
Variable Rent	:	Sum of 16% of Gross Operating Revenue and 18% of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 4% of Room Revenue is outside of rental payment.

Lessee Post IPO

EHT SDTC, LLC

Land Area

Approximately 240,887 square feet (5.53 acres)

Gross Floor Area

Approximately 232,975 square feet

Parcel Number and Zoning

The Parcel Number are 2075-27-2-15-004; 2075-27-2-19-002 and it is zoned "Mixed Commercial" (M-C)

Location

Sheraton Denver Tech Center is located within the area known as the Denver Tech Center in the city of Centennial, in the southwest quadrant of the intersection formed by East Costilla Avenue and South Clinton Street. The Denver International Airport is located approximately 25 miles to the northeast. Adjacent uses include Hyatt House Hotel, IHOP, La Quinta Inn & Suites, South Clinton Street and Interstate 25.

Brief Description

Sheraton Denver Tech Center is an upper-upscale, full-service lodging facility. The hotel has undergone renovations since opening in 1985, most recently in

	2011 when the hotel underwent a complete renovation. A smaller-scale renovation occurred in 2015 that focused on the lobby and food and beverage outlets. The property features 263 rooms, a restaurant and lounge, a café, 10,100 square feet of meeting space, an outdoor pool, a fitness room, a two-computer lobby workstation, a market pantry, and a car rental outlet.
Occupancy Profile (Managed By)	The Property is currently managed and operated under the Sheraton brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 6.00% Inflation: 1.75% Discount Rate: 7.75%
Date of Inspection	22 October 2018
Date of Valuation	31 December 2018
Valuation	USD31,700,000
Valuation per Key	USD120,000 (approximately)

VALUATION CERTIFICATE
HOLIDAY INN RESORT ORLANDO SUITES - WATERPARK

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

Holiday Inn Resort Orlando Suites - Waterpark (the "Property") at 14500 Continental Gateway Drive, Orlando, Florida 32821

Property Interest Valued

Fee Simple Interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 20 years
Base Rent	:	USD7,500,000 per annum
Variable Rent	:	Sum of 19% of Gross Operating Revenue and 22% of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 4% of Room Revenue is outside of rental payment.

Lessee Post IPO

EHT HIOR, LLC

Land Area

Approximately 1,135,175 square feet (26.06 acres)

Gross Floor Area

Approximately 597,940 square feet

Parcel Number and Zoning

The Parcel No is 33-24-28-9286-08001 and it is zoned "Planned Development" (P-D)

Location

The subject property is located in southwestern Orlando proximate to Walt Disney World, in the southwestern corner of the intersection formed by Continental Gateway Drive and World Center Drive/State Highway 536. The Property has good access from Interstate 4. The Orlando International Airport is located approximately ten miles to the northeast. Adjacent uses are Marriott World Center and vacant commercial land.

Brief Description

Holiday Inn Resort Orlando Suites - Waterpark is an upper-midsclae, full-service resort lodging facility. From 2015 through 2017, the resort underwent a

	comprehensive renovation and conversion. Opened in 1999, the property features 777 rooms, a restaurant, a lounge, a coffee shop, two fast food outlets, two poolside dining outlets, 6,750 square feet of meeting space, multiple outdoor pools and whirlpools, multiple waterslides, a splash playground, a fitness room, a business center, a gift shop, a retail food store, multiple guest laundry areas, a sport court, a game room, a miniature golf course, two outdoor courtyard areas, various outdoor sundecks, a laser maze, and a 4D movie theater.
Occupancy Profile (Managed By)	The Property is currently managed and operated under the Holiday Inn brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 6.00% Inflation: 1.75% Discount Rate: 7.75%
Date of Inspection	18 October 2018
Date of Valuation	31 December 2018
Valuation	USD162,800,000
Valuation Per Key	USD210,000 (approximately)

VALUATION CERTIFICATE
CROWNE PLAZA DALLAS NEAR GALLERIA - ADDISON

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

Crowne Plaza Dallas Near Galleria – Addison (the "Property") at 14315 Midway Road, Addison, Texas 75001

Property Interest Valued

Fee Simple interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 20 years
Base Rent	:	USD2,500,000 per annum
Variable Rent	:	Sum of 18% of Gross Operating Revenue and 20% of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 4% of Room Revenue is outside of rental payment.

Lessee Post IPO

EHT CPDGA, LLC

Land Area

Approximately 302,305 square feet (6.94 acres)

Gross Floor Area

Approximately 273,481 square feet

Parcel Number and Zoning

The Parcel Number is 100006800A0020000 and it is zoned "Planned Development District 625" (PD-625)

Location

Crowne Plaza Dallas Near Galleria – Addison is the Addison area of Dallas, in the southwest quadrant of the intersection formed by Midway Road and Proton Drive. The property has good access from Interstate 635 and the Dallas North Tollway. The Dallas/Fort Worth International Airport is located approximately eleven miles to the southwest. The adjacent uses are Proton drive, Midway Atriums Office Complex and Midway Road.

Brief Description

Crowne Plaza Dallas Near Galleria – Addison is an upscale, full-service lodging facility. The property has undergone some renovations since opening in 1984.

	The property features 428 rooms, a restaurant and lounge, 29,690 square feet of meeting space, an outdoor pool and whirlpool, two fitness rooms, a business center, a market pantry, and a guest laundry room.
Occupancy Profile (Managed By)	The Property is currently managed and operated under the Crowne Plaza brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 6.00% Inflation: 1.75% Discount Rate: 7.75%
Date of Inspection	23 October 2018
Date of Valuation	31 December 2018
Valuation	USD57,800,000
Valuation Per Key	USD140,000 (approximately)

VALUATION CERTIFICATE
HILTON HOUSTON GALLERIA AREA

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

Hilton Houston Galleria Area (the "Property") at 6780 Southwest Freeway, Houston, Texas 77074

Property Interest Valued

Fee Simple interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 20 years
Base Rent	:	USD2,200,000 per annum
Variable Rent	:	Sum of 22% of Gross Operating Revenue and 20% of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 4% of Room Revenue is outside of rental payment.

Lessee Post IPO

EHT HHG, LLC

Land Area

Approximately 229,560 square feet (5.27 acres)

Gross Floor Area

Approximately 201,930 square feet

Parcel Number and Zoning

The Parcel Number is 1048490000015 and zoning is not applicable.

Location

Hilton Houston Galleria Area is located on the southwest side of Houston, along U.S. Highway 59/Interstate 69, north of the intersection formed by Southwest Freeway Frontage Road and Savoy Drive. The George Bush Intercontinental Airport is located approximately 19 miles to the northeast. Adjacent uses include a vacant land, Interstate 69 Frontage, Savoy drive and Blue Star Limousine.

Brief Description

Hilton Houston Galleria Area is a full-service lodging facility. The property has undergone some renovations since opening in 1978. The property features 292

	rooms, a restaurant and lounge, 13,000 square feet of meeting space, an outdoor pool, a fitness center, a lobby workstation, and a market pantry.
Occupancy Profile (Managed By)	The Property is currently managed and operated under the Hilton brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 6,00% Inflation: 1,75% Discount Rate: 7,75%
Date of Inspection	19 October 2018
Date of Valuation	31 December 2018
Valuation	USD48,600,000
Valuation Per Key	USD170,000 (approximately)

VALUATION CERTIFICATE
RENAISSANCE WOODBRIDGE

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

Renaissance Woodbridge (the "Property") at 515 Route 1 South, Iselin, New Jersey 08830

Property Interest Valued

Fee Simple interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 20 years
Base Rent	:	USD3,400,000 per annum
Variable Rent	:	Sum of 19% of Gross Operating Revenue and 19% of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 5% of Total Revenue is outside of rental payment.

Lessee Post IPO

EHT RWH, LLC

Land Area

Approximately 470,450 square feet (10.80 acres)

Gross Floor Area

Approximately 220,603 square feet

Parcel Number and Zoning

The Parcel Number is Block 369 Lot 100.023x and it is zoned "Highway Business" (B-3)

Location

Renaissance Woodbridge is located at the southern tip of Iselin, an unincorporated community in the northwestern section of the Township of Woodbridge. The property is situated in the western quadrant of the intersection formed by U.S. Highway 1 and Gill Lane/Woodbridge Center Drive with good access from Interstate 95. The Newark Liberty International Airport is located approximately 13 miles to the northeast. Adjacent uses include residential units, Kona Grill, KFC, Woodbridge Place Office Building and Hobby Lobby.

Brief Description	Renaissance Woodbridge is a full-service lodging facility. The hotel, which was designed and developed as a Sheraton Hotel in 1986, was sold in 2008 and subsequently underwent multi-million-dollar renovations in order to be converted to a Renaissance Hotel in 2010. The hotel is currently undergoing extensive renovations to be converted to a Delta Hotel by Marriott. Opened in 1986, the property features 311 rentable rooms, a restaurant and lounge, 25,421 square feet of meeting space, an indoor pool with an indoor deck, an outdoor pool with three cabanas, a fitness center, a business center, a club lounge, an express lounge, a market pantry, a guest laundry room, and vending areas.
Occupancy Profile (Managed By)	The Property is currently managed and operated under the Renaissance brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 5.50% Inflation: 1.75% Discount Rate: 7.25%
Date of Inspection	19 October 2018
Date of Valuation	31 December 2018
Valuation	USD76,600,000
Valuation Per Key	USD250,000 (approximately)

VALUATION CERTIFICATE
CROWNE PLAZA DANBURY

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

Crowne Plaza Danbury (the "Property") at 18 Old Ridgebury Road, Danbury, Connecticut 06810

Property Interest Valued

Fee Simple Interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 20 years
Base Rent	:	USD800,000 per annum
Variable Rent	:	Sum of 10% of Gross Operating Revenue and 10% of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 4% of Room Revenue is outside of rental payment.

Lessee Post IPO

EHT CPDCT, LLC

Land Area

Approximately 315,375 square feet (7.24 acres)

Gross Floor Area

Approximately 191,406 square feet

Parcel Number and Zoning

The Parcel Number is 4815 and it is zoned "Arterial Commercial District" (CA80)

Location

Crowne Plaza Danbury is located west of the city center, to the southeast of the intersection formed by Old Ridgebury Road and Interstate 84. The Westchester County Airport is located approximately 20 miles to the southwest. Adjacent uses include interstate 84, prime storage, vacant land and Old Ridgebury Road.

Brief Description

Crowne Plaza Danbury is a full-service lodging facility. The property underwent a guestroom renovation in 2013 and other minor public-area renovations from 2014 though year-to-date 2018. Opened in 1980, the property features 242 rooms, a restaurant and lounge, 15,630 square feet of meeting space, an indoor

	pool, a fitness room, a business center, a market pantry, a guest laundry room, and two tennis courts.
Occupancy Profile (Managed By)	The Property is currently managed and operated under the Crowne Plaza brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 5.50% Inflation: 1.75% Discount Rate: 7.25%
Date of Inspection	19 October 2018
Date of Valuation	31 December 2018
Valuation	USD12,000,000
Valuation Per Key	USD50,000 (approximately)

VALUATION CERTIFICATE
DOUBLETREE BY HILTON SALT LAKE CITY AIRPORT

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

DoubleTree by Hilton Salt Lake City Airport (the "Property") at 5151 Wiley Post Way, Salt Lake City, Utah 84116

Property Interest Valued

Fee Simple interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 20 years
Base Rent	:	USD2,600,000 per annum
Variable Rent	:	Sum of 21% of Gross Operating Revenue and 22% of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 4% of Room Revenue is outside of rental payment.

Lessee Post IPO

EHT DHSLC, LLC

Land Area

Approximately 313,630 square feet (7.2 acres)

Gross Floor Area

Approximately 187,199 square feet

Parcel Number and Zoning

The Parcel Number is 07-36-451-001-0000 and it is zoned "Light Manufacturing District" (M-1)

Location

DoubleTree by Hilton Salt Lake City City is located west of the Salt Lake City International Airport, in the southwest quadrant of the intersection formed by Wiley Post Way and Charles Lindbergh Drive. The property has good acess from Interstate 80. The Salt Lake City International Airport is located approximately three miles to the east. Adjacent uses include Wiley Post Way, lake and Charles Lindbergh Drive.

Brief Description	DoubleTree by Hilton Salt Lake City City is an upscale, full-service lodging facility. The hotel has undergone multiple renovations since its opening in 1980 as a Hilton, including a renovation in 2013/14 when the property was converted to the DoubleTree brand. Opened in 1980, the property features 288 rooms, a restaurant and lounge, a coffee shop, 11,057 square feet of meeting space, an indoor pool and whirlpool, a fitness room, a business center, a market pantry, a putting green, a vending area, a sundeck, and a sport court.
Occupancy Profile (Managed By)	The Property is currently managed and operated under the DoubleTree by Hilton brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 6.00% Inflation: 1.5% Discount Rate: 7.75%
Date of Inspection	25 October 2018
Date of Valuation	31 December 2018
Valuation	USD60,900,000
Valuation Per Key	USD210,000 (approximately)

VALUATION CERTIFICATE
HILTON ATLANTA NORTHEAST

Purpose

We have been instructed by the REIT Trustee (in its capacity as trustee of Eagle Hospitality Real Estate Investment Trust, the REIT Manager (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust) and the Trustee-Manager (in its capacity as trustee-manager of Eagle Hospitality Business Trust Management Pte Ltd) to provide our opinion of Market Value of the Property as at 31 December 2018 which are to be relied upon for the Initial Public Offering (IPO) of Eagle Hospitality Trust on the Main Board of the SGX-ST and to be included in the Prospectus of Eagle Hospitality Trust.

Property

Hilton Atlanta Northeast (the "Property") at 5993 Peachtree Industrial Boulevard, Norcross, Georgia 30092

Property Interest Valued

Fee Simple interest, subject to the proposed Master Lease Agreement with the following terms:

Term	:	20 years
Option (s)	:	One Option of 20 years
Base Rent	:	USD2,400,000 per annum
Variable Rent	:	Sum of 19% of Gross Operating Revenue and 20% of Gross Operating Profit less Base Rent

Under the Master Lease Agreement, the landlord is responsible for the payment of property insurance, property tax, land lease (if any) and ongoing capital expenditure. Furniture and Fitting Reserve of 4% of Room Revenue is outside of rental payment.

Lessee Post IPO

EHT HAN, LLC

Land Area

Approximately 435,600 square feet (10.00 acres)

Gross Floor Area

Approximately 186,592 square feet

Parcel Number and Zoning

The Parcel Number is R6273 041 and it is zoned "General Business District " (C2)

Location

Hilton Atlanta Northeast is located northeast of metro Atlanta, in southern Peachtree Corners (near the Peachtree Corners/Norcross city line). The property has good access from Interstates 285 and 85. The Hartsfield-Jackson Atlanta International Airport is located approximately 25 miles to the southwest. Adjacent uses include Hampton Inn by Hilton, Peachtree Industrial Boulevard, Technology Park and Pointe Parkway Northwest.

Brief Description	Hilton Atlanta Northeast is a full-service lodging facility. The hotel was designed and developed as a Hilton in 1986 and has undergone various renovations and updates since then. In 2017, the hotel was fully renovated and had expanded the executive lounge. Opened in 1986, the property features 271 rooms, a restaurant, a bar, a club-level lounge, 18,445 square feet of meeting space, an indoor/outdoor pool, a fitness room, a business center, and a market pantry.
Occupancy Profile (Managed By)	The Property is currently managed and operated under the Hilton brand and the Lessee is reponsible for Hotel Management Fee and Franchise Fee as part of the determination of Gross Operating Profit.
Valuation Approach	The Income Approach (Discounted Cashflow Analysis) and Direct Sales Comparison Approach.
Valuation Parameters	Capitalisation Rate: 6.00% Inflation: 1.75% Discount Rate: 7.75%
Date of Inspection	22 October 2018
Date of Valuation	31 December 2018
Valuation	USD55,400,000
Valuation Per Key	USD200,000 (approximately)

Addendum 1 – Statement of Assumptions and Limiting Conditions

1. We have relied on information given by the Client and its representatives and have accepted advice given to us on such matters as land titles, easements, tenure, planning approvals, statutory notices, tenancy schedule, site and floor plans, building plans, floor areas, building design, building costs, and all other relevant matters. We have assumed the information given to us as correct and have not conducted independent checks to verify them, and no responsibility is assumed or implied by us. Interested parties are advised to seek further due diligence of qualified solicitors, engineers and other professionals as appropriate prior to making any legal, financial or other commitments. Should it be revealed that any information provided is inaccurate or misleading so that its use would affect the valuation, we seek to be informed of such discrepancies and accordingly reserve the right to amend our assessment.
2. The Property including its land titles, use rights and improvements is assumed to be transferable, marketable and free of any deed restrictions, easements, encumbrances or other impediments of an onerous nature that would affect the value of the Property. We have not conducted independent checks to verify and likewise advice interested parties to engage qualified solicitors to perform such checks and verifications as appropriate.
3. There are no hidden or unapparent conditions of the Property, subsoil or structures that would render it more or less valuable. No responsibility is assumed for these conditions or any engineering that may be required to discover them. We have not considered the existence of potentially hazardous materials used in the construction or maintenance of the buildings, such as asbestos, urea formaldehyde foam insulation, or PCBs. We are thus unable to report that the Property is free from risk in this respect and have assumed that any investigation would not reveal the presence of hazardous materials. The valuers are not qualified to detect these substances and urge the Client to retain an expert in this field if desired. We have not investigated whether the site is or has been in the past contaminated and are therefore unable to warrant that the Property is free from any defect or risk in this respect. Our report is therefore based on the assumption that the land is not contaminated and any specialist investigation would not disclose the presence of any adverse conditions on the site or within the building.
4. In the course of the property inspection, particular investigation has not been made on environmental matters that are either an inherent feature of the Property itself or the surrounding area, which could impact on the property interest. Examples include the historic mining activity or electricity transmission equipment. We therefore value on the assumption that the Property is not affected by any such environmental matters.

5. No cadastral survey of the Property has been made by the valuers and no responsibility is assumed in connection with such matters. Sketches, pictures, maps and other exhibits are included to assist the Client in visualising the Property. It is assumed that the use of the land and premises is within the boundaries of the Property described and that there is no encroachment or trespass unless noted.

6. The Valuation Certificate is neither a structural survey nor a survey on the electrical and mechanical services in terms of both hardware and software. We therefore value on the assumption that the Property is of sound design and construction, and free from any inherent defect. No detailed inspection or tests have been carried out by us on any of the services or items of equipment; therefore, no warranty can be given with regard to their serviceability, efficiency, safety or adequacy for their purpose. We express no opinion or advice upon the condition of uninspected parts and our report should not be read as making any implied representation or statement about such parts. We have assumed that the Property together with the services therein is in a good state of repair and condition and that there are no outstanding items of expenditure required.

7. Valuation report for the Property is accompanied with corresponding list of assumptions and limiting conditions which states assumptions peculiar and pertinent to Property. Interested parties are advised to read the individual report prior to making any legal, financial or other commitments.

8. We have not inspected the Property's city, local and private consents, licences, approvals, permits or certificates for its use and operations. It is assumed that the Property will be in full compliance with all applicable city, local and private codes, laws, consents, licences and regulations (including a fire certificate and relevant alcohol licences where appropriate), and that all licences, permits, certificates, franchises and so forth can be freely renewed and/or transferred to a purchaser. It is advisable for interested parties to seek full legal due diligence advice of a qualified legal solicitor prior to making any legal, financial or other commitments.

9. All mortgages, liens, encumbrances, leases, servitudes, arrears and penalties have been disregarded unless specified otherwise.

10. Other than as identified under "Client Brief and Purpose of Valuation" and for purposes of inclusion in the Prospectus in relation to the initial public offering of Eagle Hospitality Trust, no portion of this report, in whole or in part, or any reference thereto may be reproduced in any form or included in any document, circular or statement without the permission of HVS, nor shall the report be distributed to the public through advertising, public relations, news, sales, or other media without the prior written consent of HVS.

11. HVS is not required to give testimony or attendance in court by reason of this economic and valuation study without previous arrangements and only when our standard *per diem* fees and travel costs are paid prior to the appearance.

12. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material contained in this report, it is recommended that the reader contact HVS.

13. The quality of a property's on-site management has a direct effect on a property's economic viability and market value. The financial forecasts presented in this Valuation Report assume both responsible ownership and competent management. Any variance from this assumption may have a significant impact on the forecast operating results.

14. The estimated operating results presented in this report are based on an evaluation of the current overall economy of the area and neither take into account nor make provision for the effect of any sharp rise or decline in local or economic conditions. To the extent that wages and other operating expenses may advance during the economic life of the Property, it is expected that the prices of rooms, food, beverages and services will be adjusted to at least offset these advances. HVS does not warrant that the estimates will be attained, but they have been prepared on the basis of information obtained during the course of this study and are intended to reflect the expectations of typical investors.

15. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based upon numbers carried out to three or more decimal places. In the interest of simplicity, most numbers presented in this report have been rounded. Thus, these figures may be subject to small rounding errors in some cases.

16. Our valuation opinion is current as at the date of valuation. It is likely that the value assessed may be subjected to significant and unexpected changes over a relatively short period due to reasons including, but not limited to, the result of general market movements and/or other factors specific to the subject Property. We are not liable for any losses arising from any of such subsequent changes in value and neither do we accept any liability where our value opinion is relied upon after the expiration of three months from the date of valuation. We shall not be responsible for any delay to the performance of our valuation exercise, where matters beyond our control cause such delay.

17. Valuing real estate is both a science and an art. Although this valuation employs various mathematical calculations, the final estimate is subjective and may be influenced by the consultant's experience and other factors not specifically set forth in this report.

18. It is assumed that the relationship between the currencies used in this report and other major world currencies remains constant as at the date of our fieldwork.

19. Whilst the information contained herein is believed to be correct, it is subject to change. Nothing contained herein is to be construed as a representation or warranty of any kind.

20. Until the time that all of our professional fees and other charges have been paid in full, the draft or final report, which is provided to you as a professional courtesy, remains the intellectual property of HVS and shall not be utilised in attempting to: a) obtain financial capital (whether debt

or equity); b) further any litigation, mediation, or arbitration processes; or c) assist the Client in any cause, action or endeavour.

21. If HVS has not been paid in full for its outstanding professional fees and other charges, and the draft or final report is used in violation of this agreement, HVS will be entitled to seek injunctive relief, monetary damages, and the cost of attorney fees and collection expenses.

22. To the extent permissible under applicable laws, it is agreed that the liability of HVS, its employees and anyone else associated with this assignment is limited to the amount of the fee paid as liquidated damages. You acknowledge that any opinions, recommendations and conclusions expressed during this assignment will be rendered by the staff of HVS acting solely as employees and not as individuals. Any responsibility of HVS is limited to the Client, and use of our product by third parties shall be solely at the risk of the Client and/or third parties.

23. This assessment and study has been undertaken by HVS as an independent overseas consultant.

24. Throughout this report, 'HVS' refers to the trading name of SG&R Singapore Pte Ltd (Registration Number 199900143N).

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INDEPENDENT HOSPITALITY INDUSTRY REPORT

200 East Randolph Drive Chicago Illinois 60601

April 17, 2019

Eagle Hospitality REIT Management Pte. Ltd.
(as manager of Eagle Hospitality Real Estate Investment Trust)
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Eagle Hospitality Business Trust Management Pte. Ltd.
(as trustee-manager of Eagle Hospitality Business Trust)
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

DBS Trustee Limited
(as trustee of Eagle Hospitality Real Estate Investment Trust)
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

Dear Sirs,

INDEPENDENT HOSPITALITY INDUSTRY REPORT

With reference to your instructions, we have conducted our independent review of the hospitality sector and the hotel real estate market in the United States of America. This report is for inclusion in the prospectus for the initial public offering and listing of Eagle Hospitality Trust (a stapled trust comprising Eagle Hospitality Real Estate Investment Trust and Eagle Hospitality Business Trust) on Singapore Exchange Securities Trading Limited.

The report is enclosed herewith.

Yours faithfully
For and on behalf of
Jones Lang LaSalle Americas, Inc.

Name: Bryan Duncan

Designation: Director

Market Research Overview
U.S. Hotel Asset Portfolio

Issued by:
Jones Lang LaSalle Americas, Inc.

Prepared for:
Eagle Hospitality REIT Management Pte. Ltd. (in its capacity as manager of Eagle Hospitality Real Estate Investment Trust)

Eagle Hospitality Business Trust Management Pte. Ltd. (in its capacity as trustee-manager of Eagle Hospitality Business Trust)

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

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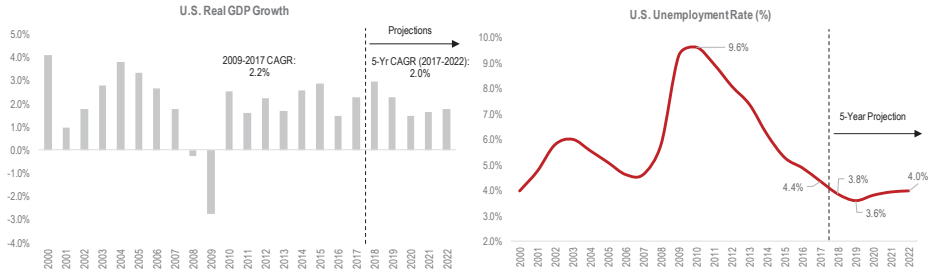
1 Executive Summary

1.1 U.S. Country and Economic Overview

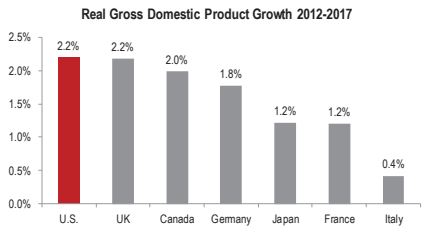
The U.S. economy is currently on track to register its ninth consecutive year of economic growth in 2018, and the current economic expansion will likely become the second longest in modern U.S. history in 2019. After averaging annual real GDP growth of 2.2% between 2010 and 2017, real GDP growth is projected to accelerate to 3.0% in 2018, according to forecasts from Oxford Economics. Reductions in the statutory corporate tax rate and individual income tax rates, which took effect on January 1, 2018, are widely credited with the recent acceleration in real GDP growth.

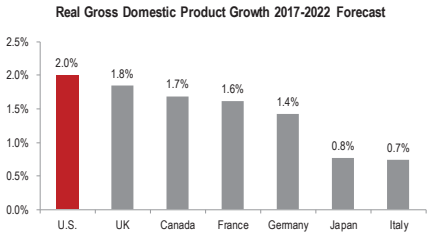
During the next few years, real GDP growth in the U.S. is expected to gradually moderate towards a more sustainable average annual rate of approximately 2.0% due to several factors. First, the impact of tax cuts on economic growth is expected to abate over time with the bulk of the impact on year-over-year real GDP growth occurring in 2018. Second, the U.S. unemployment rate has fallen to 3.9% as of August 2018, below most economists' estimates of full employment. As a result, wages and inflation are expected to gradually increase, resulting in increases to the federal funds rate and rising interest rates. Economic growth is expected to soften to some extent but remain near the U.S. economy's 20-year historical average as rising interest rates impact business investment and consumer spending. Considering the likelihood of this scenario, Oxford Economics projects that U.S. real GDP growth will moderate to 2.3% in 2019 and 1.5% in 2020. This trend is broadly consistent with JLL's view on the U.S. economy.



Source: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Oxford Economics

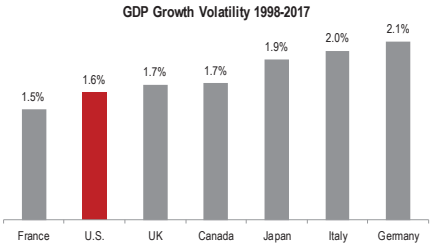
When compared to the other major mature countries in Europe and Asia, real GDP Growth in the U.S. outperformed during the past five years, and economic growth in the U.S. economy is expected to outperform in the 2017-2022 forecast horizon, as projected by Oxford Economics.





Source: Oxford Economics

Furthermore, when comparing the U.S. to other mature economies in Europe and Asia, the U.S. generally has exhibited lower volatility in the annual economic growth rate during the past 20-year period.



Note: Pertains to annual standard deviation of real GDP growth
Source: Oxford Economics

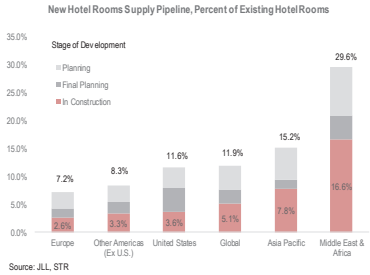
Furthermore, the U.S. economy is very well-diversified, which is one of the drivers of the lower volatility addressed above. In addition, the diversity of the economy results in more catalysts for growth, with each economic sector experiencing unique drivers. The three largest contributors to GDP in the U.S. are real estate, government, and professional services. In the U.S., no single economic sector accounts for more than 13.3% of overall GDP output.

Composition of U.S. GDP	
Real estate and rental and leasing	13.3%
Government	12.6%
Professional and business services	12.5%
Manufacturing	11.2%
Educational services, health care, and social assistance	8.7%
Finance and insurance	7.5%
Wholesale trade	6.0%
Retail trade	5.6%
Information	5.4%
Arts, entertainment, recreation, accommodation, and food services	4.1%
Construction	4.0%
Transportation and warehousing	3.1%
Other services, except government	2.1%
Utilities	1.6%
Mining	1.4%
Agriculture, forestry, fishing, and hunting	0.9%

Source: U.S. Bureau of Economic Analysis

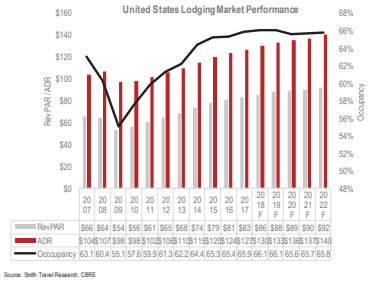
1.2 U.S. Hospitality Sector Overview

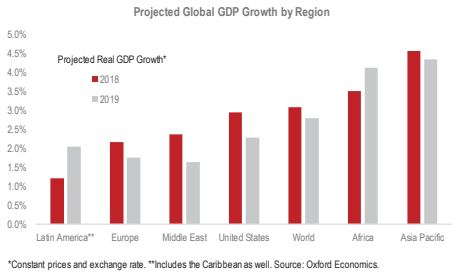
Featuring approximately 5.3 million hotel rooms and accounting for 30% of global hotel rooms inventory, the United States lodging market is the largest in the world. The U.S. lodging market also stands out from the rest of the world in that it has a significantly higher share of branded hotel rooms, suggesting that institutional quality assets with access to strong distribution channels comprise a much larger percentage of its lodging stock. Branded hotel rooms comprise 71% of U.S. rooms supply, compared to 53% of rooms in Asia Pacific and only 40% of rooms in Europe.



We expect the U.S. lodging market to perform well in relation to other global lodging markets during the next few years. U.S. real GDP growth, which is highly correlated with lodging demand growth, is projected to outperform growth in Latin America, Europe, and the Middle East in 2018 and 2019 according to growth forecasts from Oxford Economics. At the same time, lodging supply growth in the U.S. is expected to be materially lower than in Asia Pacific as well as the Middle East & Africa based upon the active new supply pipeline for each global region. On balance, the demand and supply dynamics for the U.S. lodging market are attractive relative to most other global regions.

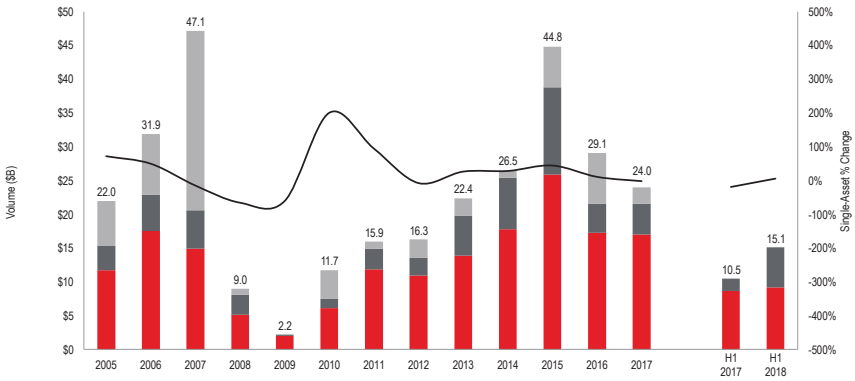
Since 2010, the U.S. lodging market has benefited from substantial improvement in operating performance, registering 102 months of consecutive year-over-year RevPAR growth as of August 2018. While RevPAR growth decelerated to 3.1% in 2016 and 3.0% in 2017 following average annual growth of 6.6% between 2010 and 2015, RevPAR growth appears poised to accelerate moderately once again in 2018. As of August, year-to-date RevPAR growth had risen to 3.5%. During the next few years, we expect that the U.S. economic expansion will continue to support growth in lodging demand, while lodging supply growth is expected to abate beginning in 2019 as rising construction costs deter new construction. Consistent with our view of future growth potential, CBRE projects average annual RevPAR growth of 2.1% between 2017 and 2022, as shown in the charts below.





1.3 U.S. Hotel Real Estate Market Overview

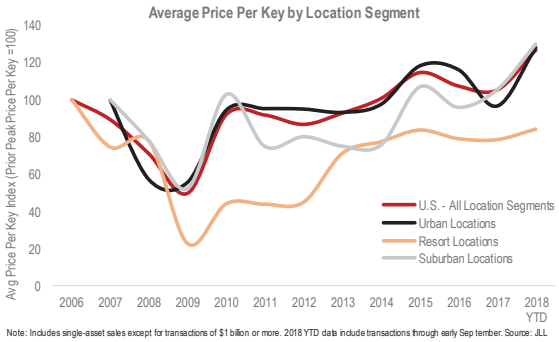
The volume of U.S. hotel investment sales increased dramatically between 2009 and 2015, when investment sales reached a cyclical peak of $44.8 billion. While total investment sales remained below the prior peak in 2007, single-asset sales reached an historic high of $25.9 billion in 2015. Since then, transaction activity has declined but remains robust with U.S. hotel transactions totaling $29.1 billion and $24.0 billion in 2016 and 2017, respectively. Most recently, year-to-date transactions in the first half of 2018 climbed 44% above the level recorded for the first half of 2017 due to significant portfolio transactions activity.



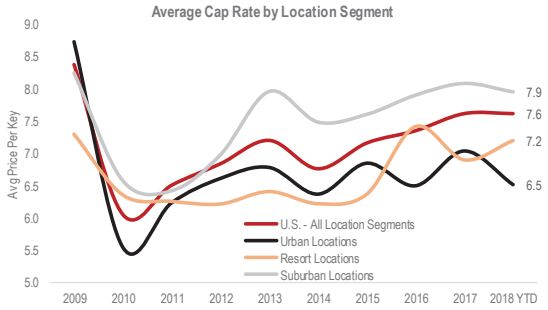
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	H1 2017	H1 2018
U.S. hotel transaction volume	22.0	31.9	47.1	9.0	2.2	11.7	15.9	16.3	22.4	26.5	44.8	29.1	24.0	10.5	15.1
Mega Portfolio M&A	6.6	9.0	26.6	0.9	0	4.3	1.0	2.7	2.5	1.1	6.0	7.5	2.4	0.0	0.0
All Other Portfolios	3.6	5.3	5.6	2.9	0.2	1.4	3.1	2.6	6.0	7.6	13.0	4.3	4.6	1.8	5.9
Single Assets	11.7	17.5	14.9	5.1	2.0	6.1	11.9	11.0	13.9	17.8	25.9	17.3	17.0	8.7	9.2
Single-Asset % Change	72%	50%	-15%	-66%	-61%	200%	95%	-8%	26%	28%	44%	11%	-2%	-19%	6%
Total Number of Transactions	302	431	434	218	97	161	247	324	404	486	585	414	391	92	131

Source: JLL; transactions $5M and above; excludes casino transactions; mega portfolio pertains to deals $2 billion and above

The average price per key for U.S. hotel sales has increased significantly during the current cycle, rising from $99,000 in 2009 to $209,000 in 2017. The average price for year-to-date transactions through early September 2018 rose further to $251,000 per key. While price gains since 2009 have been significant, appreciation relative to peak pricing during the prior market cycle has been relatively moderate, suggesting that runway for further price increases remains. The average price per key for U.S. hotel transactions in 2017 was only 5% higher than the prior peak in 2006, and if year-to-date pricing trends remain intact through year-end 2018, average price appreciation will amount to only 2.0% per year during the last 12 years. At the same time, capitalization rates for U.S. hotel sales appear to have drifted slightly higher during recent years but remain low. The average cap rate for U.S. hotel sales increased to 7.6% for year-to-date transactions through September 2018 from 6.8% in 2014.



Note: Includes single-asset sales except for transactions of $1 billion or more. 2018 YTD data include transactions through early September. Source: JLL



Note: Includes single-asset sales only. 2018 YTD data include transactions through early September. Source: JLL

As strong RevPAR growth and relatively low capitalization rates have allowed for rising hotel asset prices and strong hotel cash flow, the U.S. hotel sector has produced robust investment returns. According to data compiled by NCREIF, hotel investments have yielded a total rate of return of 9.3% per year during the past 25 years, compared to a total rate of return of 9.1% for U.S. commercial real estate. We expect the hotel sector to continue to produce robust investment returns as consumer spending on lodging and travel trends higher and the sector benefits from a balanced supply and demand outlook and asset valuations that remain moderate relative to the prior cycle's peak.

1.4 Portfolio Investment Theses

JLL compiled various metrics for the subject portfolio pertaining to the market segments in which it is expected to compete and the growth prospects for those segments to assess the subject portfolio's strength from an investment perspective. JLL compared the subject portfolio's performance on these metrics with corresponding national averages as well as with corresponding metrics for other publicly traded lodging REITs in the United States. Following its research and analysis, JLL identified several key attributes of the subject portfolio that are expected to bode well for its future operating performance and contribute to its desirability from an investor's vantage point; we have briefly summarized these portfolio investment theses below:

- The subject portfolio is expected to benefit from its exposure to U.S. markets with a strong historical and projected economic growth trajectory.
- RevPAR growth rates for the lodging markets in which the subject portfolio is located have been materially higher than the national average in recent years and are expected to remain strong in the near term.

- The subject portfolio is expected to benefit from its relatively high concentration of rooms in resort locations, which are expected to yield higher RevPAR growth during the next few years than most other location segments due to the concomitant impact of high barriers to entry and limited supply growth in the resort segment.

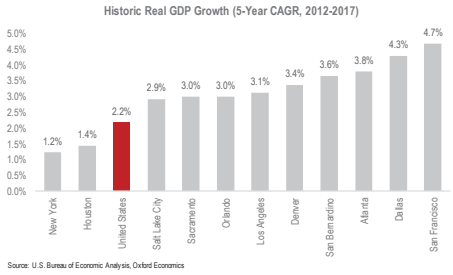
- The subject portfolio features a high share of rooms in the largest lodging markets in the United States; these markets generally benefit from more diverse demand generators, higher RevPAR, and greater liquidity.

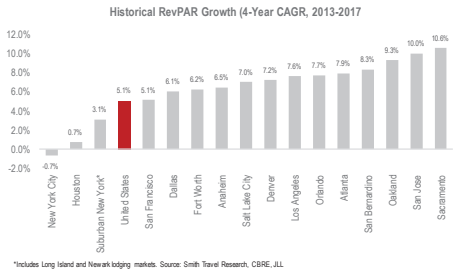
- The subject portfolio is expected to benefit from its high share of rooms with full-service, branded positioning. Supply growth in the full-service segment is expected to continue to be muted in comparison to the select-service segment, allowing for potentially stronger RevPAR growth. Additionally, full-service hotels benefit from significant ancillary revenue and valuations that are typically materially higher than their select-service counterparts.

1.5 Market and Asset Overviews

In addition to evaluating the subject portfolio's growth prospects and key positioning elements on an aggregate basis, JLL reviewed the market positioning of each property in the subject portfolio and assessed each of the markets in which the subject portfolio has assets on an individual basis. Specifically, JLL compiled economic indicators as well as lodging market performance and valuation metrics for each metropolitan[1] area represented in the subject portfolio to assess their desirability from an investment perspective. JLL also assessed key demand generators for each property in the subject portfolio and evaluated each property's positioning and performance history relative to its competitive market. JLL's market and asset analysis for each asset is presented in detail in Section 6.

The metropolitan areas in which the subject portfolio has assets have mostly achieved higher real GDP growth during the past five years than the U.S. average, and most of the lodging markets in which the subject portfolio has assets have realized higher-than-average RevPAR growth as well. We expect that these markets will continue to perform well given strong fundamentals. In this environment, the subject portfolio's assets are poised to perform well during the next several years.



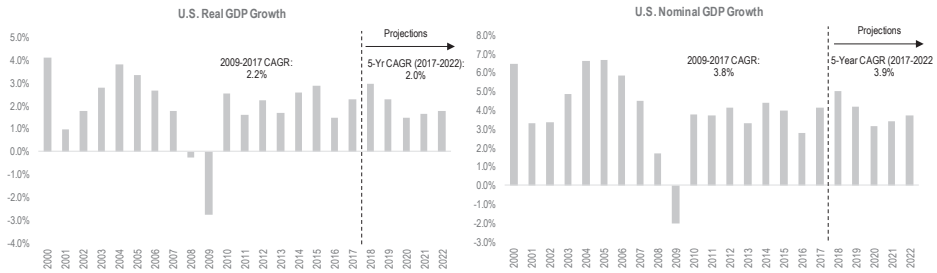


[1] Throughout the report, the terms 'metropolitan area' and 'metropolitan statistical area' are used interchangeably.

2 U.S. Country and Economic Overview

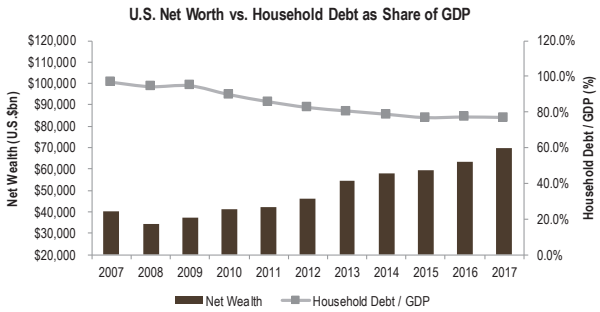
2.1 Macroeconomic Overview and Economic Outlook

Since 2010, the U.S. economy has benefited from a strong expansion that now ranks as the country's second-longest economic expansion in modern history and that appears poised to become the longest expansion in U.S. history in 2019. Between 2010 and 2017, U.S. real GDP growth averaged 2.2% per year, as the nation recovered from the financial crisis of 2008-2009. U.S. real GDP growth appears to be accelerating with growth expected to rise from 2.3% in 2017 to 3.0% in 2018, according to forecasts from Oxford Economics. Most recently, real GDP for the second quarter of 2018 grew year on year at a seasonally adjusted, annualized rate of 4.2%. While substantial reductions in corporate and individual income tax rates at the federal level are credited with the recent acceleration in real GDP growth, the impact of changes on annual growth rates is expected to abate over time. Additionally, rising inflation and concomitant increases in interest rates are expected to soften economic growth to some extent. Oxford Economics projects that U.S. real GDP growth will decelerate to 2.3% in 2019 and 1.5% in 2020.



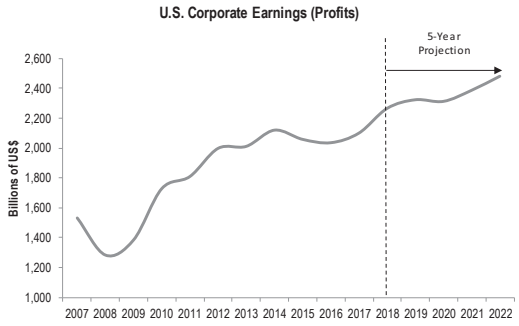
Source: U.S. Bureau of Economic Analysis, Oxford Economics

The U.S. has also experienced notable growth in household wealth since the last economic downturn, and the share of household debt versus national GDP has trailed off during the past decade, to reach approximately 77% in 2017.

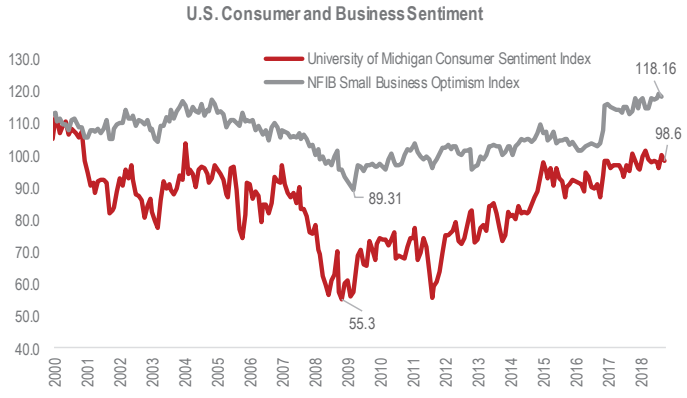


Source: Oxford Economics

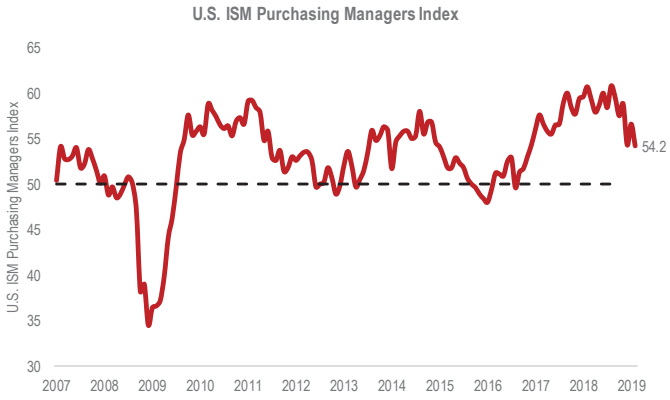
Robust growth in consumer spending, which accounts for two-thirds of U.S. GDP, has contributed significantly to the nation's GDP growth during the current cycle. Average annual growth in consumer spending amounted to 3.9% between 2009 and 2017, and growth during the next five-year period is projected to remain strong at 3.7% per year according to Oxford Economics. Sustained growth in consumer spending has also allowed for robust growth in corporate earnings, though the latter tends to be more volatile. In 2018, corporate earnings are expected to increase 7.8% due to the impact of tax cuts and a favorable business environment, as evidenced by rising consumer and business sentiment. However, Oxford Economics projects a lower growth in corporate earnings in 2019 and 2020 due to tougher year-over-over comparisons before renewed acceleration takes hold again in 2021 and 2022. Another economic indicator which is frequently followed is the U.S. ISM Purchasing Manager Index, developed by the Institute for Supply Management. This index reached its highest level in recent history in August 2018 and continues to indicate an expanding manufacturing economy as of early 2019.



Source: Bureau of Economic Analysis, Oxford Economics

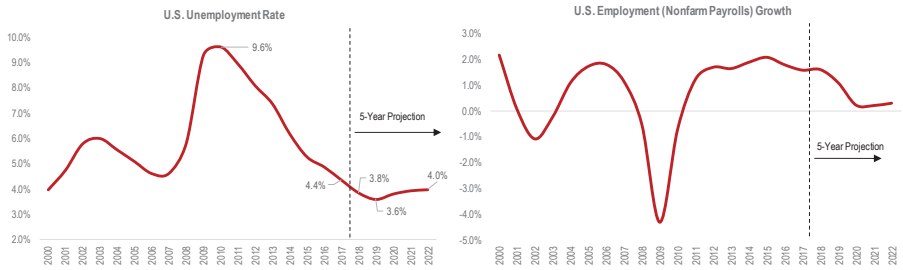


Source: U.S. Bureau of Economic Analysis, University of Michigan, National Federation of Independent Business, Oxford Economics



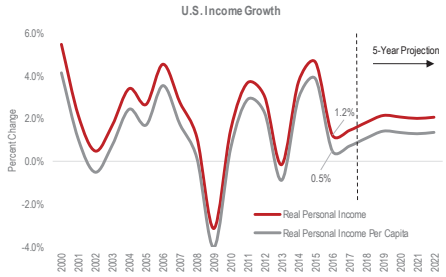
Note: An index above 50 indicates that the manufacturing economy is generally expanding, while an index below 50 indicates that it is generally contracting.
Source: Institute for Supply Management

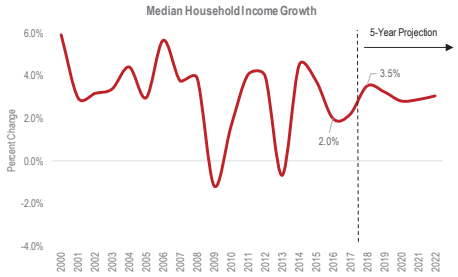
The strong trajectory of real GDP growth in the U.S. during the current economic expansion has been accompanied by substantial tightening in the nation's labor market. As shown in the charts below, the country's unemployment rate decreased from 9.6% in 2009 to 4.4% by 2017. According to projections from Oxford Economics, the nation's strong economic environment is expected to allow for a further decline in the unemployment rate to 3.6% by 2019, after which time a gradual increase in the unemployment rate is anticipated. As the unemployment rate has fallen below most economists' estimates of full employment, companies have found it increasingly difficult to fill available openings. Over the medium term, employment growth is expected to soften in tandem with the economic growth prospects.



Source: U.S. Bureau of Labor Statistics, Oxford Economics

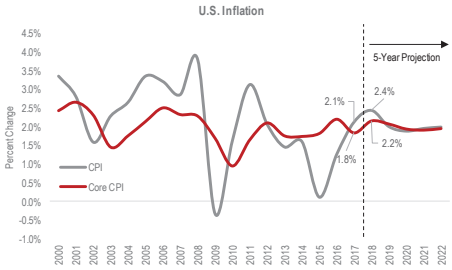
The tight labor market conditions are resulting in an acceleration in personal income growth, benefiting U.S. consumers. As shown in the charts below, real personal income growth accelerated from 1.2% in 2016 to 1.4% in 2017 and is expected to rise further to 2.1% by 2019. Real personal income per capita and median household income are projected to follow similar trends according to forecasts from Oxford Economics.

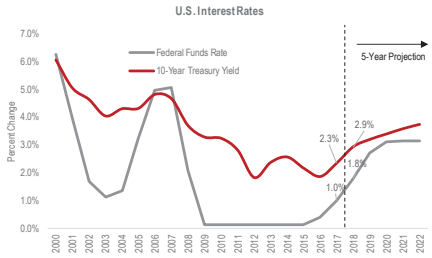




Source: U.S. Bureau of Economic Analysis, Oxford Economics

As the labor market has become tighter and demand growth for goods and services has been strong, inflation has drifted higher and the Federal Reserve has gradually increased the federal funds rate, causing longer-term interest rates to rise as well. Inflation, as measured by the core CPI, is projected to increase from 1.8% in 2017 to 2.2% in 2018, and the 10-year treasury note yield is expected to increase from an average rate of 2.3% in 2017 to 2.9% in 2018, per projections from Oxford Economics. Given that projected core inflation of 2.2% in 2018 exceeds the Federal Reserve's target rate of approximately 2.0%, tighter monetary policy and continued increases in treasury note yields are anticipated during the next few years, as shown in the charts below.





Source: U.S. Bureau of Labor Statistics, Oxford Economics

JLL's view of the U.S. economy is broadly consistent with the projections from Oxford Economics that we have summarized above. As the tight labor market translates to wage growth and moderately higher inflation, the Federal Reserve is expected to increase the federal funds rate, contributing to a gradual rise in interest rates. In turn, rising interest rates are expected to result in decelerating economic growth. While JLL's economics team does not project that growth will decelerate into recessionary territory in the medium term, the risk of a recession rises in 2020 and 2021, when the probability of a recession is estimated at 32% and 26%, respectively.

2.2 U.S. Political Climate

In the election of 2016, the Republican Party gained control of the U.S. Presidency with the election of Donald Trump and maintained its existing majorities in both the U.S. Senate and the U.S. House of Representatives. During the past 18 months, notable changes with respect to U.S. tax law as well as U.S. trade and immigration policies have taken effect.

In December 2017, the Tax Cuts and Jobs Act was signed into law by President Trump after having narrowly secured passage through the U.S. Senate and House of Representatives. The new tax law

introduced substantial reforms to U.S. tax law. With respect to business taxes, notable changes include the reduction of the statutory corporate tax rate to 21 percent from 35 percent and the introduction of a 20 percent tax deduction for owners of pass-through businesses that are not in the service sector. With respect to individual taxes, statutory tax rates for all income brackets were reduced, and the amount of the standard tax deduction option was nearly doubled. However, for individuals who elect to itemize their tax deductions, limitations on certain itemized tax deductions were put into place. Most notably, a cap of $10,000 was instituted on previously limitless deductions for state and local taxes (SALT deduction).

Given America's large trade deficit, particularly with China, and economic malaise in areas of the U.S. where manufacturing jobs have been lost, the Trump Administration has imposed tariffs on a wide range of imports in an attempt to negotiate more favorable trading terms with America's trading partners. The scale and scope of U.S. tariffs has been changing rapidly in recent months as U.S. tariffs have prompted retaliatory foreign tariffs on U.S. exports. While the trade war with China has escalated recently, the risk of a trade war with America's other trading partners appears to have abated somewhat given preliminary agreements with Mexico, Canada, and the European Union.

Economists generally expect that the current trading disputes will exert a drag on economic growth, although their impact is anticipated to be modest. JLL projects that the aggregate impact of current tariffs on $250 billion in Chinese imports as well as China's expected retaliatory tariffs on U.S. exports will reduce real GDP growth by 50 to 100 basis points over a 12- to 18-month time span if the tariffs remain in place. Similarly, tariffs are expected to exert upward pressure on inflation, though again the aggregate impact on core inflation is expected to be less than 10 basis points according to recent estimates from Goldman Sachs economists. Given that the U.S. features a relatively closed economy with domestic demand accounting for most of national output and considering that complex global supply chains tend to diffuse the impact of targeted tariffs on pricing for final goods, JLL does not view tariffs as likely to derail the U.S. economy's current expansion.

Immigration and travel restrictions to the U.S. have also been at the forefront of U.S. policy discussions since the election of President Trump. While immigration laws are the purview of Congress and generally cannot be changed unilaterally by the President, the Trump Administration has succeeded in imposing travel restrictions to the U.S. from select countries, ostensibly for reasons related to national security. Additionally, the Trump Administration has made a highly publicized effort to curb the flow of undocumented immigrants into the United States via its southern border with Mexico by limiting the grounds under which asylum may be granted.

2.3 Implications of the Economic and Political Outlook for Real Estate

The current U.S. economic outlook has generally positive implications for real estate investors, although the prolonged nature of America's recovery presents certain corollary risks as well. While robust growth rates for various measures of economic activity, including real GDP, employment, personal income, and population, are expected to drive continued demand growth for hotel rooms, housing units, and office space, the nation's tight labor market and the specter of higher inflation and rising interest rates are generally expected to have a less favorable impact on real estate market fundamentals to the extent debt costs increase, capitalization rates increase, and employee and other operating costs rise. JLL notes, however, that a tight labor market is also conducive to demand growth and that inflation and interest rates are expected to remain at levels that are relatively low by historical standards, suggesting that changes in debt costs, capitalization rates, and operating costs are likely to be moderate. Oxford Economics projects that inflation, as measured by the core CPI, will increase to 2.0% and that interest rates, as measured by the 10-year treasury note yield, will rise to 3.75% by 2023;

the projected increase leave inflation and interest rates well below their 30-year averages of 2.6% and 4.9%, respectively.

While the economic outlook generally bodes well for real estate investors, the current political environment has mixed implications for the sector. The net impact of the Tax Cuts and Jobs Act of 2017 is expected to be positive for most commercial real estate investors, but the imposition of tariffs abroad and the specter of tighter controls on U.S. immigration present certain risks for the real estate market.

The tax cuts enacted in the Tax Cuts and Jobs Act are expected to drive stronger economic growth and resulting demand for real estate assets. In particular, increases in consumers' discretionary income may benefit retail real estate via increased retail sales and hotel performance via increased demand for lodging. To the extent strong economic growth and a lower corporate tax burden facilitate corporate expansions, office landlords may benefit from demand growth as well.

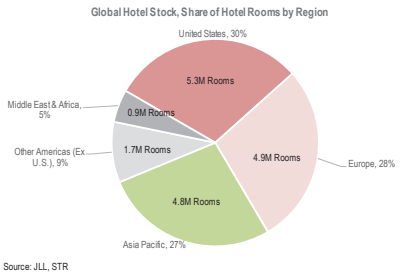
Given our expectation that tariffs will have a muted impact on demand growth and inflation, we do not expect that they will have a direct impact on hotel operating performance in the near term. However, tariffs have disproportionately targeted construction materials and may have a greater impact on the cost of construction in the real estate sector, which may soften supply growth for all real estate asset classes as fewer new development projects are deemed financially feasible. While construction cost increases are likely to have a negative impact on real estate developers, the impact on owners of existing real estate assets is more nuanced. On the one hand, softening supply growth may help to support operating fundamentals in the long term, but on the other hand, capital projects that must be undertaken in the near term can be expected to cost more.

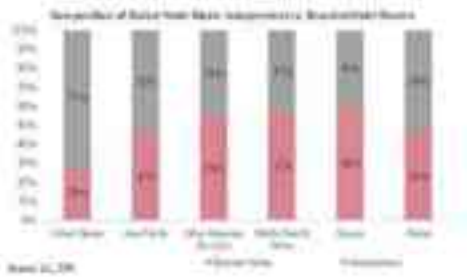
While immigration is the focus of significant political passions in the United States, we do not view the current political debate as having a strong bearing on real estate asset performance for several reasons. First, U.S. immigration laws are the purview of Congress and generally cannot be changed unilaterally by the President. Therefore, these laws are expected to remain materially unchanged given a lack of political will to address an issue that has been fraught with political risk in recent years. Second, visitation and emigration to the U.S. from the select countries that have been recently subject to travel restrictions have historically been very low. Third, unauthorized migration represents a relatively small component of overall U.S. population growth. Population growth generally drives demand for real estate assets across all sectors. Therefore, demand may suffer to the extent immigration and visitation to the U.S is restricted. However, given the small scale of these impacts in the context of total visitation and population growth, we do not view U.S. immigration policy as a material threat to the U.S. real estate sector at this time.

3 U.S. Hospitality Sector Overview

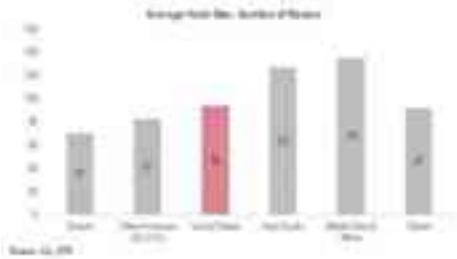
3.1 Composition of U.S. Lodging Sector in Comparison to the Global Lodging Landscape

The United States features the largest lodging market in the world. According to data compiled by Smith Travel Research, the United States contains 5.3 million rooms, accounting for 30 percent of global hotel rooms inventory. Europe and the Asia Pacific region, which includes Australia, feature 28 percent and 27 percent of global hotel rooms, respectively. China, which ranks as the second largest lodging market, contains 2.4 million rooms, or 14%of global rooms supply. Additionally, the United States has a significantly higher share of branded hotel rooms than the rest of the word, suggesting that institutional quality[2] assets with access to strong distribution channels comprise a much larger percentage of its lodging stock in the U.S. As shown below, branded hotel rooms comprise 71% of U.S. rooms supply, compared to 53% of rooms in Asia Pacific and only 40% of rooms in Europe. In the U.S. hotel investment community, branded hotels are typically deemed to be synonymous with institutional quality stock, given that the brands' building and operational standards lead to a higher-quality and more consistent physical product.





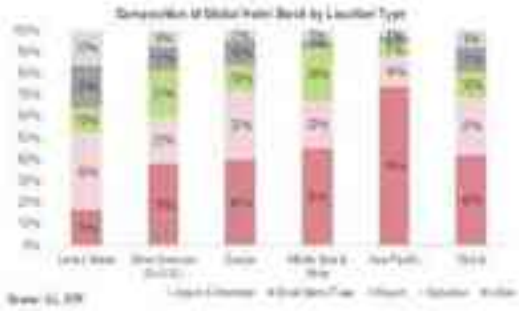
In terms of their programming, U.S. hotels do not feature materially more or less guestrooms than the rest of the world. The average U.S. hotel features 94 rooms with 69% of U.S. hotels offering less than 100 rooms; the global average hotel size and share of hotels with less than 100 rooms are approximately equivalent at 92 rooms and 69% of hotels, respectively. While hotels in Asia Pacific and the Middle East & Africa are generally larger, hotels in Europe and the rest of the Americas are generally smaller than in the U.S.



[2] JLL notes that 45% of independent hotels are in the economy class, compared to only 21% of branded hotels. Additionally, 32% of independent hotels have less than 60 rooms, compared to only 8% of branded hotels. Therefore, we assume that smaller, family-owned-and-operated hotels comprise a larger share of independent hotels than branded hotels, which are disproportionately owned by large institutional investors.

The share of U.S. hotel rooms with full-service amenities is estimated to be broadly in line with the global average. Approximately 14% of U.S. hotel rooms are affiliated with upper upscale or luxury brands, compared to 12% of rooms globally. Additionally, about 20% of U.S. hotel rooms are positioned in the upper upscale or luxury classes, which also include upper-tier independent hotels, compared to 21% of global rooms inventory.[3] Given that hotels with upper upscale and luxury positioning typically feature full-service amenities, we estimate that the concentration of full-service hotels in the U.S. is roughly equivalent to the global average. Full-service hotels benefit from significant ancillary revenue as well as lower capitalization rates and correspondingly higher valuations on a per key basis than their select-service peers.

While the U.S. share of branded, full-service hotels is in line with the global average, the U.S. features a significantly larger share of branded, select-service hotels than the rest of the world. As shown in the chart above, approximately 57% of U.S. hotels are affiliated with economy, midscale, upper midscale or upscale brands, most of which feature select-service positioning, compared to 42% globally. The fact that the U.S. lodging market is much more evenly distributed by location type than the rest of the world with a large share of hotel rooms in non-urban locations, especially in suburban areas and in small metros, likely explains the nation's disproportionate share of branded, select-service hotels, which are often more economical in these locations than full-service properties.[4]



The U.S. lodging market features a less fragmented brand landscape than the rest of the world. The largest six hotel brands in the U.S. account for 76% of all branded hotel rooms with the two largest

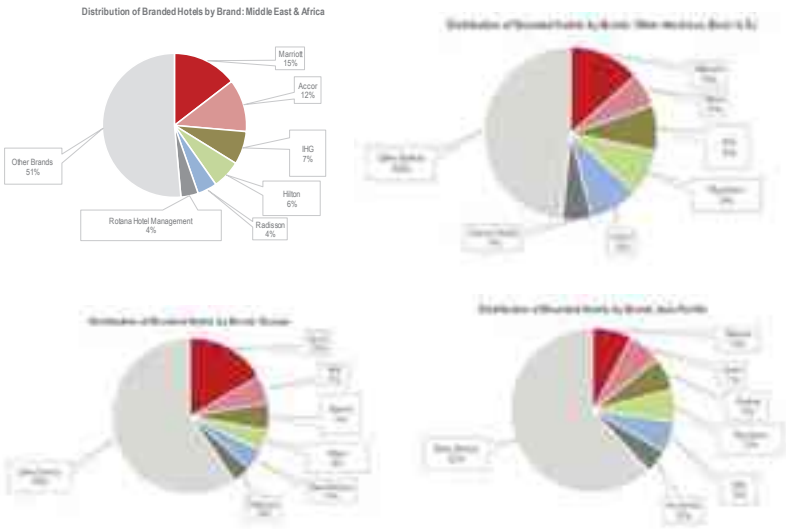
[3] Smith Travel Research assigns a chain scale to all hotel brands (or chains) and a class to all hotels. In the case of a branded hotel, its chain scale is determined solely by its brand affiliation and is synonymous with its class. (For example, a branded hotel with an economy chain is always designated in the economy class.) In the case of an independent hotel, Smith Travel Research determines its class based on its ADR, relative to that of the branded hotels in its geographic proximity.

[4] In Section 7.5, JLL has provided Smith Travel Research's definitions for each location type as well as for other key terms. JLL has also provided Smith Travel Research's chain scale designations for all U.S. hotel brands and a summary of key STR designations for the properties in the subject portfolio in Section 7.5.

brands, Marriott and Hilton, comprising 40% of the country's branded hotel rooms alone. By comparison, the largest six hotel brands in the world represent 51% of branded hotel rooms globally. Asia Pacific and Europe feature the most fragmented brand landscape with their six largest hotel brands representing 38% and 40% of all branded hotel rooms, respectively. Branded hotels generally benefit from large reservations systems, robust marketing platforms, and effective guest loyalty programs, all of which contribute to lodging demand. Additionally, the brand standards imposed typically result in a measure of quality control at branded hotels that further enhances their appeal for consumers. Volume purchasing may also enable the hotels to have more effective cost management.

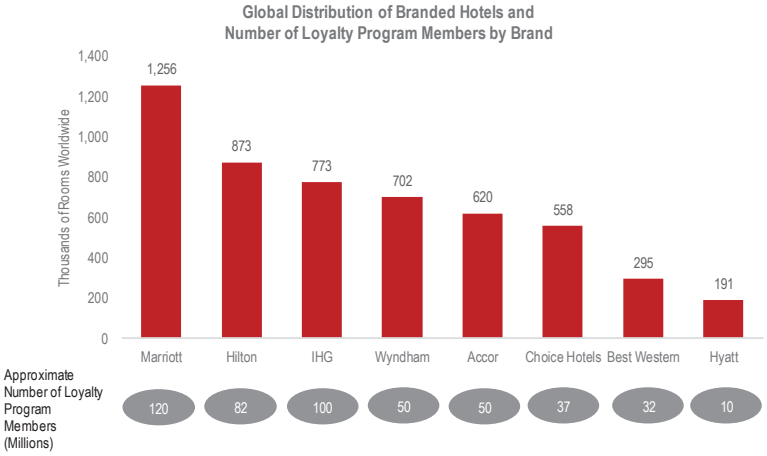
Note: based on number of rooms
Source: Smith Travel Research

Marriott, Hilton and IHG are the top 3 largest global hotel franchisors, having established themselves as industry leaders with broad consumer appeal. Marriott has the largest global market share with more than 1.25 million hotel rooms, or 13% of all branded hotel rooms globally, followed by Hilton, IHG, Wyndham, Accor, and Choice Hotels. While Marriott ranks among the largest hotel brands in each of the major global regions reviewed, other large brands are less globally diversified.



Note: based on number of rooms
Source: Smith Travel Research

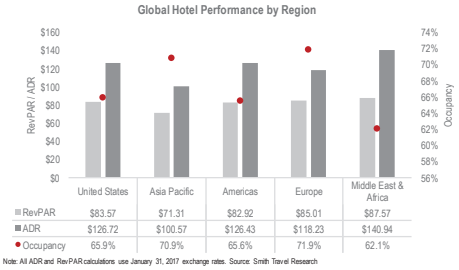
The brands with the largest number of hotel rooms worldwide also tend to feature the most members in their respective loyalty programs. Marriott, Hilton, and IHG, which rank as the largest global hotel franchisors, have approximately 120 million, 82 million, and 100 million members in their loyalty programs, respectively, as shown on the following chart.

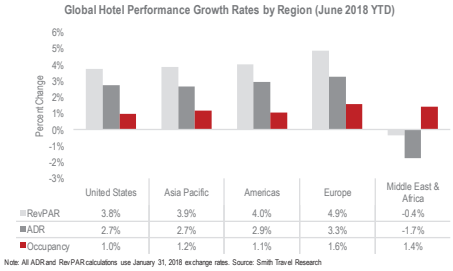


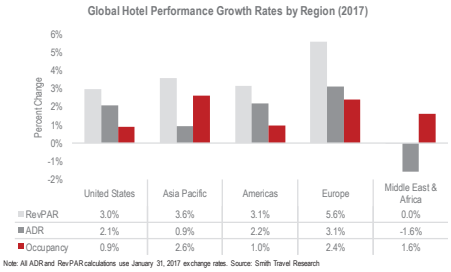
Source: Smith Travel Research, JLL, Company Press Releases

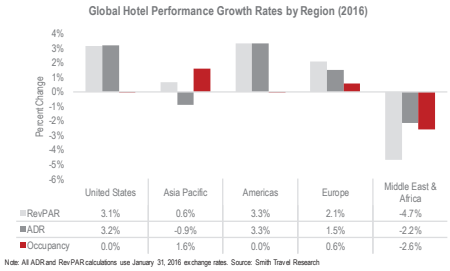
3.2 U.S. Lodging Sector Performance in Comparison to Global Lodging Performance

RevPAR performance in the U.S. is generally in line with global performance. In 2017, RevPAR in the U.S. was approximately 17% higher than in Asia Pacific, 2% lower than in Europe, and 5% lower than in Middle East, where a relatively large share of the rooms supply is positioned in the upper upscale and luxury class. Within the Americas, RevPAR in Central America and South America is significantly lower than in the U.S., and RevPAR in the Caribbean, where there is a large share of resort hotels, is materially higher. In recent years, the U.S. has generally experienced comparable or higher RevPAR growth than most other global regions. In 2015 and 2016, the U.S. realized annual RevPAR growth of 6.3% and 3.1%, respectively, notably outperforming RevPAR growth in Asia Pacific and the Middle East and Africa during both years. Europe outperformed the U.S. with 7.1% RevPAR growth in 2015 but lagged the U.S. in 2016, when its RevPAR growth fell to 2.1%. Most recently in June 2018 YTD,U.S. RevPAR growth has been broadly in line with growth in Asia Pacific, significantly above growth in the Middle East & Africa, and moderately below growth in Europe, as shown in the charts below.

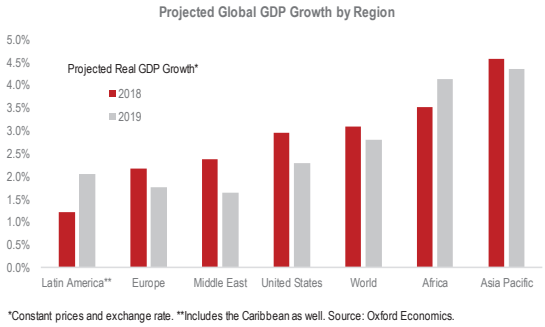


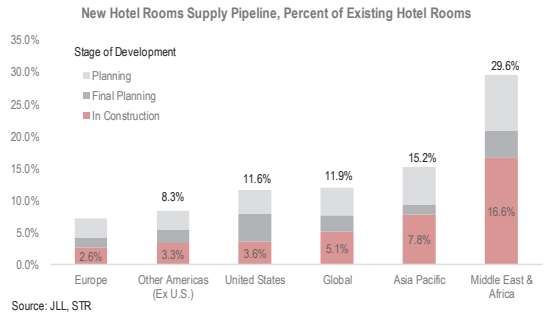






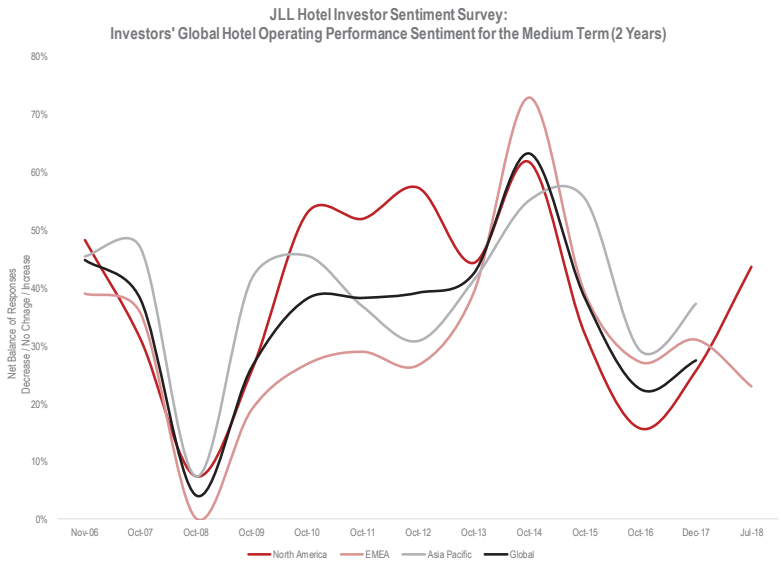
The U.S. lodging market is generally expected to continue to perform well in relation to other global lodging markets. Despite the tendency for slower real GDP growth in highly developed economies, real GDP growth in the U.S. is projected to outperform growth in Latin America, Europe, and the Middle East in 2018 and 2019 according to growth forecasts from Oxford Economics. While Asia Pacific is expected to realize stronger economic growth than the U.S., supply growth in the Asia Pacific region is significantly higher than the U.S. and risks dampening RevPAR growth in select markets as a result. As shown on the chart below, the number of rooms under construction as a share of existing supply in Asia Pacific as well as in the Middle East and Africa is significantly higher than in the U.S. and has been trending upward in recent years, while supply growth in the U.S. is beginning to soften. Relatively low supply pressures in Europe and significant supply headwinds in the Middle East and Africa correlate strongly with the former's high RevPAR growth and the latter's stagnant RevPAR trend in recent years.





The results of JLL's proprietary *Hotel Investor Sentiment Survey* corroborate our view that the U.S. lodging sector is generally expected to do well and outperform other major global regions in the

medium term. In July 2018, JLL surveyed hotel investors throughout Europe and the Middle East and Africa ("EMEA") as well as North America. According to the survey responses, the net balance of investors who expect an increase in hotel operating performance in North America during the next 2 years, which is computed by subtracting the share of investors who expect deteriorating performance from the share of investors who expect improving performance, rose to 44% from 26% in December 2017. In EMEA, the net balance decreased from 31% to 23% during the same time period. Survey responses for Asia Pacific were not available for July 2018, but in December 2017, the region's net balance of responders with expectations for improving hotel performance during the next two years amounted to 37%. As shown in the chart below, investor sentiment with respect to hotel operating performance in North America during the next two years is currently the highest among the major global regions that we have surveyed.

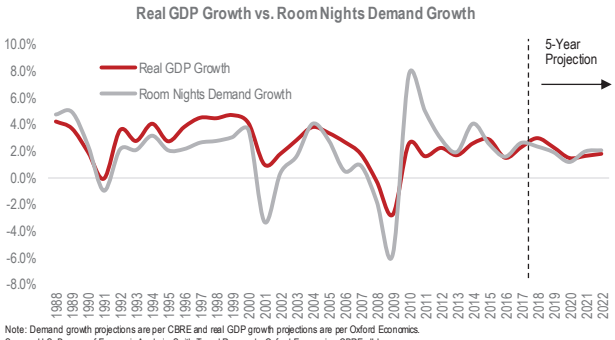


3.3 U.S. Lodging Performance Outlook

Demand growth has consistently outpaced supply growth in the U.S. lodging market since 2010, resulting in 102 months of consecutive year-over-year RevPAR growth as of August 2018. While occupancy growth averaged 3.2% per year between 2009 and 2014, occupancy gains have since slowed significantly but remained positive. Gradually increasing supply growth as well as capacity constraints in some U.S. markets are generally deemed responsible for the nation's decelerating occupancy growth. At the same time, ADR growth decelerated from 4.7% in 2015 to 3.2% in 2016, before declining to 2.1% in 2017. As a result, total RevPAR growth has decelerated from an average annual rate of 6.6% during the first 5 years of the current recovery to 3.0% in 2017.

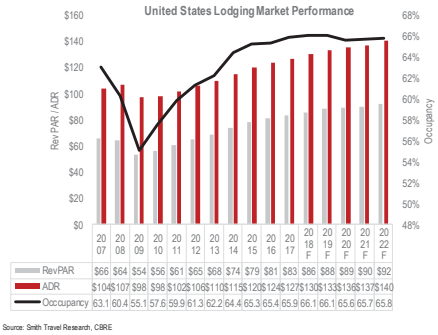
While U.S. RevPAR growth has decelerated during recent years, we expect that it will remain positive during the next few years for several reasons. First, the composition of the active new supply pipeline and rising construction costs suggest that U.S. lodging supply growth will peak in 2018 and will for the next several years remain slightly below its long-term historic average annual growth of approximately 2%. Second, real GDP growth for the U.S., which is highly correlated with lodging demand, is expected to remain strong considering robust economic fundamentals in the U.S. and fiscal stimulus in the form

of tax cuts. The chart below illustrates the close relationship between real GDP[5] growth and lodging demand growth[6], as the former fuels the latter through multiple channels. Personal income growth improves prosperity for leisure travel, while increases in business activity and corporate profits drive corporate and group travel. Additionally, government spending, which is also a component of GDP, can further encourage lodging demand.

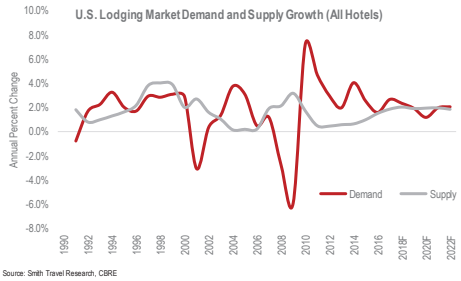


Note: Demand growth projections are per CBRE and real GDP growth projections are per Oxford Economics.
Source: U.S. Bureau of Economic Analysis, Smith Travel Research, Oxford Economics, CBRE, JLL

Given the U,S,'s balanced supply and demand outlook, CBRE projects average annual RevPAR growth of 2.1% between 2018 and 2022, as shown in the charts below. This level of growth is slightly higher than core inflation, which Oxford Economics projects to average 2.0% annually during this time. While softening growth in GDP in 2019 and 2020 is expected to result in a temporary slowdown in lodging demand growth, the latter is expected to remain in positive territory throughout the forecast horizon.



Source: Smith Travel Research, CBRE



Source: Smith Travel Research, CBRE

3.4 U.S. Lodging Market Trends

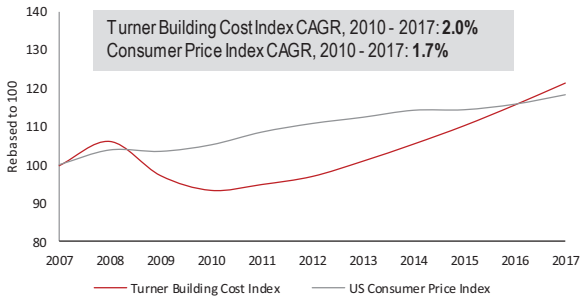
JLL has observed several noteworthy trends that are currently impacting U.S. lodging market fundamentals, including rising construction costs, robust growth in transient lodging demand relative to group demand, and a substantial increase in international tourism. We have explored these trends

[5] Real GDP growth is more correlated with lodging demand growth than nominal GDP growth, because the former better reflects growth in economic activity, rather than nominal GDP growth, while the latter is also impacted by inflation, which is not directly related to lodging demand.
[6] Lodging demand is quantified by occupied room nights at lodging properties, and the two terms are utilized synonymously.

in detail given that they are expected to continue to shape operating performance for U.S. hotels during the next several years.

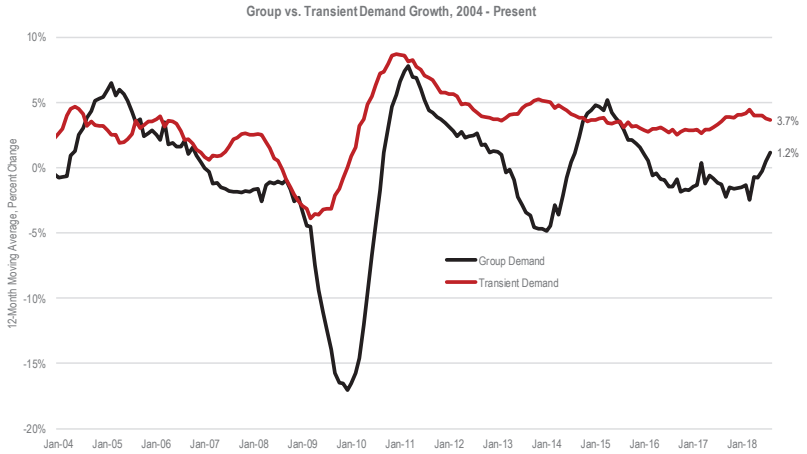
First, construction costs have increased significantly for commercial real estate, including hotels, as accelerating supply growth and low unemployment have generated pressure on pricing for both labor and construction materials. Turner Construction, which ranks as one of the nation's largest construction companies with 5,200 employees and 1,500 construction projects annually, compiles the Turner Building Cost Index to track increases in non-residential construction costs over time. According to the Turner Building Cost Index, construction costs increased at an average annual rate of 3.8% between 2010 and 2017, compared to an average annual increase in the Consumer Price Index of 1.7%. Most recently, construction cost increases have accelerated with the Turner Building Cost Index rising 5.0% in 2017 and 5.6% between Q2 2017 and Q2 2018. Rising construction costs are contributing to the projected stabilization in supply growth after 2019 as detailed in the previous section, and this trend should help to support lodging fundamentals in the medium term.

Building Cost Index vs. Overall U.S. Inflation



Second, transient lodging demand growth has consistently outpaced group demand growth during the current cycle, except for a brief time in early 2015.[7] Despite rising corporate profits, U.S. companies have generally been reticent to spend heavily on group travel, and technology improvements have perhaps alleviated the need for group travel.[8] At the same time, hotels' tendency to accept fewer group bookings to allow for transient-driven rate growth when lodging demand is strong is likely contributing to the trend as well.[9] As a result, the group segment's share of total lodging demand has declined from approximately 36% in 2006 and 35% in 2007 and 2008 to 26% in 2017. As of the summer of 2018, however, we have observed nascent signs that group demand is stabilizing, boding well for the full-service hotels that cater to group bookings. In July and August 2018, the 12-month moving average for group room nights rose to 0.5% and 1.2%, respectively, after having been in decline since early 2016.

[7] We have provided Smith Travel Research's definitions for Group Rooms and Transient Rooms in the Appendix (Section 7.5).
[8] Group demand during weekdays is primarily related to corporate activity. However, non-corporate group lodging demand, including room nights associated with weddings and social organizations, also exists and typically occurs during weekend periods.
[9] Transient ADR is typically higher than group ADR; as of 2017, transient ADR for all U.S. hotels amounted to $129.93, compared to group ADR of $126.61.



Source: Smith Travel Research, JLL

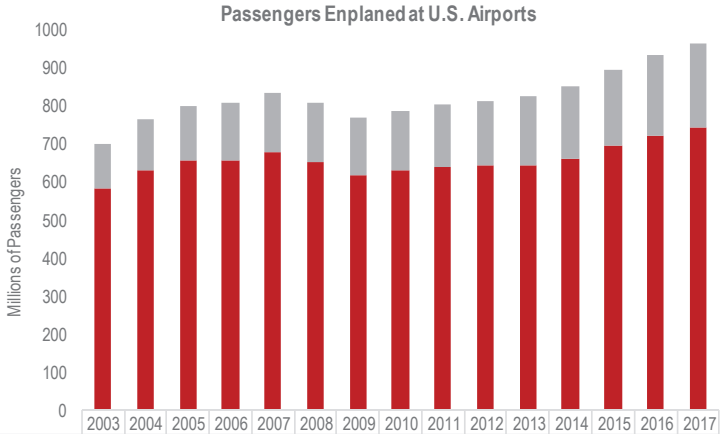
Third, the U.S. lodging sector has benefited from a substantial increase in international demand since 2009. According to data compiled by the National Travel & Tourism Office, total international visitor arrivals to the U.S. increased from 55.1 million in 2009 to 76.9 million in 2017, representing average annual growth of 4.3%. The National Travel & Tourism Office forecasts compound annual growth in international arrivals of 3.2% through 2022, representing a healthy growth rate as global consumers enjoy rising incomes and increasing mobility, primarily benefiting key gateway markets in the U.S. such as New York, Miami, San Francisco, and Los Angeles.[10]

Notes: In April 2018, the National Travel & Tourism Office announced that figures showing a decrease in international arrivals to the United States may be wrong. Publication of historic data has been suspended until it can be revised. The timeframe where international travelers may have been undercounted is from the end of 2016 through 2017. Forecast published in October 2018. Source: U.S. Department of Commerce, National Travel & Tourism Office

Notably, while the number of domestic and international travelers in the U.S. have both increased during the last 15 years, the latter source of demand has grown at a higher rate. As shown in the following chart, the number of passengers enplaned on an international route has increased from approximately 118 million in 2003 to 223 million in 2017, representing a compound annual growth rate

[10] In Section 7.10, we provide estimates for the international share of lodging demand in 20 U.S. markets from CBRE.

of 47%. By comparison, the number of passengers traveling on domestic flights has increased from 583 million in 2003 to 742 million in 2017, representing a compound annual growth rate of 1.7%.

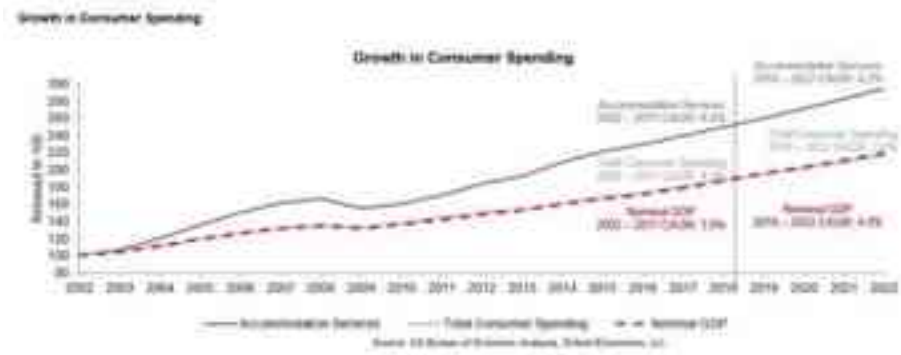


	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
International	118	134	144	150	156	158	150	158	164	171	180	189	201	212	223
Domestic	583	630	657	658	679	652	618	630	638	642	646	663	696	720	742

Source: U.S. Bureau of Transportation Statistics

Fourth and finally, U.S. consumers have allocated an increasing proportion of their spending to accommodation services during the last 20 years, and this trend is expected to continue to support U.S. lodging market fundamentals. As shown in the chart below, while the share of consumer spending on accommodation services has increased significantly since 2000, the share of consumer spending on other items, such as food, clothing, household goods, and vehicles, has declined. Projections from Oxford Economics suggest that U.S. consumers will continue to allocate a higher share of their total spending on accommodation services during the next years as well, driven by the well-documented notion that younger adults (in particular Millennials) have a penchant to spend on experiences, rather than physical goods. In addition, U.S. citizens have a penchant to travel domestically and not leave the country for vacations, given that only approximately 42% of U.S. citizens possess a passport.[11]

[11] Based on number of valid U.S. passports in circulation as computed by figures from U.S. Department of State – Bureau of Consular Affairs



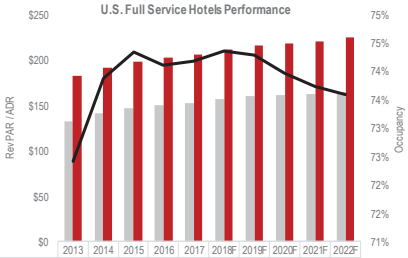
3.5 Full-Service and Select-Service Hotel Segments

The U.S. lodging market includes 2.7 million rooms in select-service hotels, 1.1 million rooms in full-service hotels, and1.5 million rooms in independent hotels that are affiliated with neither select-service nor full-service hotel brands. The select-service, full-service, and independent segments comprise 51%, 21%, and 29% of rooms inventory, respectively. A more detailed definition of what constitutes a full-service hotel is found in section 5.6. Full-service hotels typically include restaurants that serve at least two meals per day and often feature meeting space that is sufficiently sized to service group banquet and social catering functions. Select-service hotels typically do not offer these amenities, though they frequently do offer breakfast or limited food and beverage service in the form of a grab-and-go or lounge area with limited operating hours. Because full-service hotels are positioned to attract group demand in addition to transient demand, they often feature more guestrooms than select-service hotels. The average full-service hotel in the U.S. has 265 rooms, compared to 90 rooms at the average select-service hotel and 68 rooms at the average independent hotel. Hotel brands in the full-service segment include Ritz-Carlton, Westin, Sheraton, Hyatt Regency, and Doubletree, among many others, and examples of select-service brands include Residence Inn, Hyatt Place, Hilton Garden Inn, and Hampton Inn, among many others. Full-service hotels are generally preferred by groups who require significant meeting, event space or social catering space and by guests who appreciate having an on-site restaurant serving at least two meals per day and other amenities. Select-service hotels, however, may be preferred by more cost-conscious consumers, as they are typically available at a lower price point.

While STR does not report historical operating performance for select-service and full-service hotels, the firm does report performance data for each chain scale segment. Based on JLL's classification of hotel brands into the select-service and full-service positioning segments, 99% of U.S. hotel rooms in the upper upscale and luxury chain scales are affiliated with brands that typically feature full-service programming, and 88% of U.S. hotel rooms in the upscale, upper midscale, midscale, and economy chain scales are affiliated with brands that typically offer select-service programming.[12] Therefore, we have summarized the historical and projected performance of the upper upscale and luxury chain scales to approximate the performance of U.S. full-service hotels, and we have aggregated the performance of the upscale, upper midscale, midscale, and economy chain scales to approximate the performance of U.S. select-service hotels.

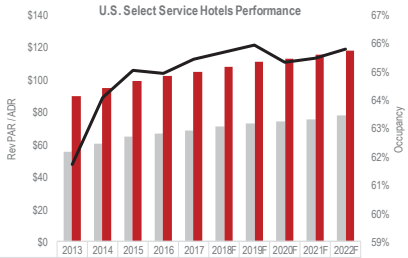
[12] Notably, as we have detailed in Section 7.7, hotels are classified as featuring either full-service or select-service positioning based solely on the profile of the brand with which they are affiliated.

Development costs for full-service hotels are typically substantially higher than costs for select-service hotels given the larger size of the former and the high cost of construction for full-service amenities such as meeting space and restaurants.



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$132	$141	$148	$150	$153	$157	$160	$161	$163	$165
RevPAR % Chg		6.7%	4.5%	1.9%	1.6%	2.8%	2.1%	0.6%	0.7%	1.8%
ADR	$183	$191	$199	$203	$206	$211	$216	$218	$221	$225
Occupancy	72.4%	73.9%	74.3%	74.1%	74.2%	74.4%	74.3%	74.0%	73.7%	73.6%

Note: Includes luxury and upper upscale chain scales. Source: Smith Travel Research, CBRE, JLL calculations.



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$56	$61	$65	$67	$69	$71	$73	$74	$76	$78
RevPAR % Chg		9.2%	6.4%	3.1%	3.1%	3.3%	3.3%	1.1%	2.1%	3.0%
ADR	$90	$95	$99	$103	$105	$108	$111	$113	$115	$118
Occupancy	61.7%	64.1%	65.1%	64.9%	65.4%	65.7%	65.9%	65.3%	65.5%	65.8%

Note: Includes luxury and upper upscale chain scales. Source: Smith Travel Research, CBRE, JLL calculations.

3.6 Top-25 Lodging Markets in the U.S. and Top-10 Metropolitan Statistical Areas by GDP

The following list summarizes the 25 largest lodging markets in the U.S. ("the top-25 U.S. markets"), according to data compiled by Smith Travel Research. As detailed in Section 5.5, the top-25 U.S. markets generally feature higher RevPAR than other U.S. markets and comprise a disproportionate share of total U.S. hotel transactions.

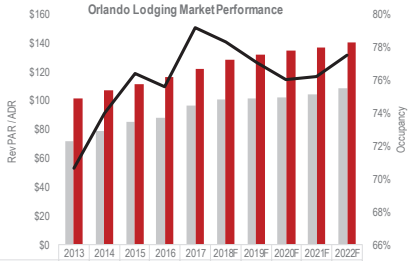
Top-25 U.S. Lodging Markets

Rank	Market	Hotel Rooms	Number and Identity of Subject Portfolio Properties in Top-25 Lodging Markets	
1	Orlando, FL	126,400	1	Holiday Inn Resort Orlando Suites Waterpark
2	New York, NY	120,204	2	Crowne Plaza Danbury, Renaissance Woodbridge[1]
3	Chicago, IL	117,082		
4	Washington, DC-MD-VA	112,479		
5	Los Angeles/Long Beach, CA	103,463	2	Hotel Queen Mary, Sheraton Hotel Pasadena
6	Atlanta, GA	98,798	1	Hilton Atlanta Northeast
7	Houston, TX	89,288	1	Hilton Houston Galleria Area
8	Dallas, TX	87,973	1	Crowne Plaza Dallas Near Galleria Addison
9	Phoenix, AZ	65,574		
10	San Diego, CA	61,457		
11	Anaheim/Santa Ana, CA	57,935	2	Holiday Inn & Suites Anaheim Disneyland, Embassy Suites Anaheim North
12	Boston, MA	57,661		
13	Miami/Hialeah, FL	56,028		
14	San Francisco/San Mateo, CA	52,989	2	Holiday Inn & Suites San Mateo San Francisco, Four Points by Sheraton San Jose Airport[2]
15	Philadelphia, PA-NJ	48,562		
16	Denver, CO	48,042	3	Renissance Denver Stapleton, Sheraton Denver Tech Center, Holiday Inn Denver East Stapleton
17	Seattle, WA	46,896		
18	Tampa/St Petersburg, FL	46,864		
19	Detroit, MI	44,297		
20	Minneapolis/St Paul, MN-WI	43,363		
21	Nashville, TN	42,951		
22	New Orleans, LA	41,063		
23	St Louis, MO-IL	39,142		
24	Norfolk/Virginia Beach, VA	37,297		
25	Oahu Island, HI	29,914		

Notes: (1) The Crowne Plaza Danbury and Renaissance Woodbridge are technically in the Connecticut Area and Central New Jersey lodging markets, respectively. These are suburban lodging markets directly adjacent to the New York lodging market. (2) The Four Points by Sheraton San Jose Airport is technically in the San Jose/Santa Cruz lodging market, which is situated in the San Francisco Bay Area directly adjacent to the San Francisco/San Mateo lodging market.

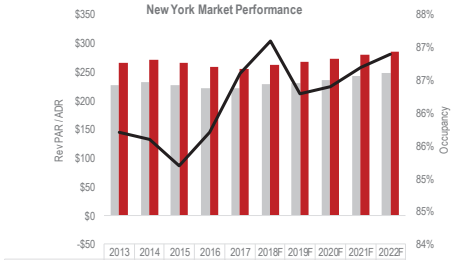
Source: Smith Travel Research

In the charts below, we have provided historical and projected operating performance data for the 10 largest of the top-25 U.S. markets. Operating performance projections for 2018 through 2022 are produced independently by CBRE. We have provided supplemental information on operating performance for those markets to which the subject portfolio has exposure in Section 6.



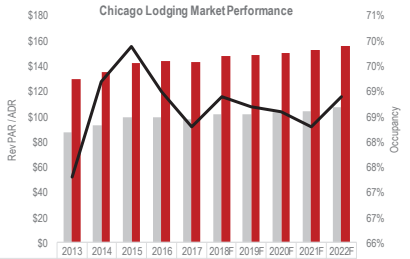
	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$72	$79	$85	$88	$96	$101	$102	$102	$104	$109
RevPAR % Chg		10.3%	7.5%	3.2%	9.9%	4.5%	1.1%	0.7%	1.8%	4.2%
ADR	$102	$107	$111	$116	$122	$129	$132	$135	$137	$140
Occupancy	70.6%	74.0%	76.4%	75.6%	79.2%	78.3%	77.1%	76.0%	76.2%	77.5%

Source: Smith Travel Research, CBRE



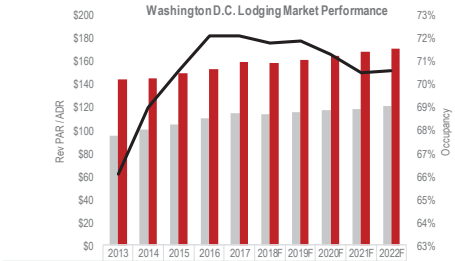
	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$228	$232	$226	$222	$221	$229	$231	$236	$243	$249
RevPAR % Chg		1.9%	-2.5%	-1.9%	-0.3%	3.5%	0.8%	2.2%	2.8%	2.4%
ADR	$266	$271	$265	$259	$255	$263	$268	$273	$280	$286
Occupancy	85.7%	85.6%	85.2%	85.7%	86.6%	87.1%	86.3%	86.4%	86.7%	86.9%

Source: Smith Travel Research, CBRE



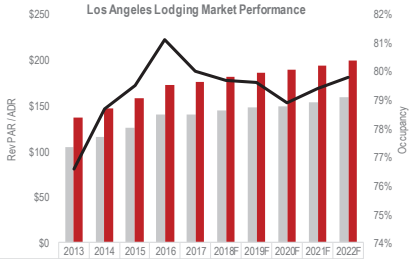
	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$87	$93	$100	$100	$98	$102	$102	$103	$104	$107
RevPAR % Chg		7.1%	6.6%	0.0%	-1.6%	4.0%	0.1%	1.2%	0.9%	3.1%
ADR	$129	$135	$142	$144	$144	$148	$149	$151	$153	$156
Occupancy	67.3%	69.2%	69.9%	69.0%	68.3%	68.9%	68.7%	68.6%	68.3%	68.9%

Source: Smith Travel Research, CBRE



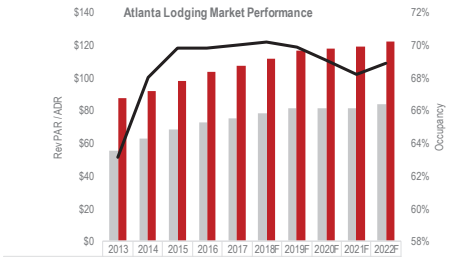
	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$95	$100	$106	$111	$115	$114	$116	$118	$118	$121
RevPAR % Chg		5.1%	5.3%	4.9%	4.0%	-1.0%	1.9%	1.3%	0.7%	2.2%
ADR	$144	$145	$150	$154	$160	$159	$162	$165	$168	$172
Occupancy	66.1%	69.0%	70.6%	72.1%	72.1%	71.8%	71.9%	71.3%	70.5%	70.6%

Source: Smith Travel Research, CBRE



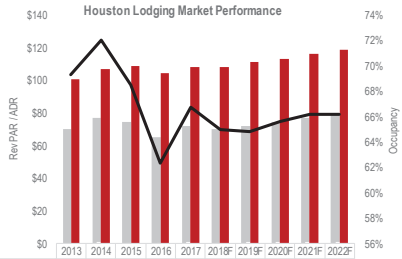
	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$105	$116	$126	$140	$141	$145	$149	$150	$154	$159
RevPAR % Chg		10.4%	8.7%	11.0%	0.7%	2.7%	2.7%	0.8%	2.8%	3.7%
ADR	$137	$147	$159	$173	$176	$182	$187	$190	$194	$200
Occupancy	76.6%	78.7%	79.5%	81.1%	80.0%	79.7%	79.6%	78.9%	79.4%	79.8%

Source: Smith Travel Research, CBRE



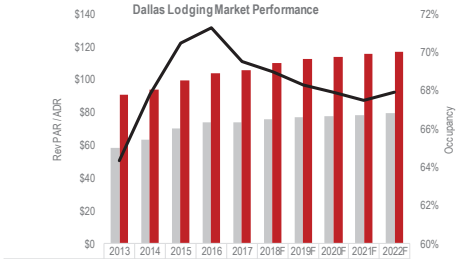
	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$55	$63	$68	$72	$75	$78	$81	$81	$81	$84
RevPAR % Chg		13.0%	9.2%	5.8%	3.8%	4.3%	3.8%	0.0%	-0.1%	3.6%
ADR	$88	$92	$98	$104	$107	$111	$116	$118	$119	$122
Occupancy	63.1%	68.0%	69.8%	69.8%	70.0%	70.2%	69.9%	69.1%	68.2%	68.9%

Source: Smith Travel Research, CBRE



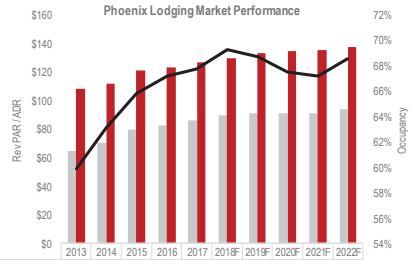
	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$70	$77	$74	$65	$72	$70	$72	$74	$77	$79
RevPAR % Chg		10.2%	-3.4%	-12.5%	10.5%	-2.3%	2.4%	3.2%	3.5%	2.3%
ADR	$101	$107	$109	$105	$108	$108	$111	$113	$116	$119
Occupancy	69.3%	72.0%	68.5%	62.3%	66.7%	65.0%	64.8%	65.6%	66.2%	66.2%

Source: Smith Travel Research, CBRE



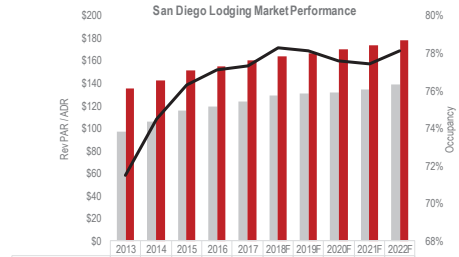
	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$58	$64	$70	$74	$74	$76	$77	$77	$78	$80
RevPAR % Chg		9.1%	10.0%	5.8%	-0.3%	2.8%	1.4%	0.8%	0.8%	1.9%
ADR	$91	$94	$99	$104	$106	$110	$113	$114	$116	$117
Occupancy	64.3%	67.8%	70.5%	71.3%	69.5%	69.0%	68.3%	67.9%	67.5%	67.9%

Source: Smith Travel Research, CBRE



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$65	$71	$80	$83	$86	$90	$92	$91	$91	$94
RevPAR % Chg		9.2%	12.5%	3.9%	4.1%	4.6%	1.7%	-0.5%	-0.1%	3.6%
ADR	$108	$112	$121	$123	$127	$130	$133	$135	$136	$138
Occupancy	59.9%	63.1%	65.8%	67.2%	67.8%	69.3%	68.7%	67.5%	67.2%	68.6%

Source: Smith Travel Research, CBRE



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$97	$106	$115	$119	$124	$129	$130	$132	$134	$139
RevPAR % Chg		9.2%	8.8%	3.7%	3.7%	3.9%	1.4%	1.2%	1.9%	3.6%
ADR	$136	$142	$151	$155	$160	$164	$167	$170	$174	$178
Occupancy	71.5%	74.5%	76.3%	77.1%	77.3%	78.3%	78.1%	77.6%	77.4%	78.1%

Source: Smith Travel Research, CBRE

In addition to considering the performance of the top-25 lodging markets in the U.S., we have also considered the performance of lodging markets in the U.S. metropolitan areas that feature the most economic output. In the table below, we have summarized the 10 metropolitan statistical areas in the U.S. with the most economic output as measured by gross domestic product and listed the lodging markets that account for most of their rooms supply. Notably, Smith Travel Research offers hotel performance data for lodging markets, rather than for metropolitan areas, so we have listed the primary lodging markets associated with each metropolitan area. Smith Travel Research's lodging market designations for large metropolitan areas are largely synonymous with the U.S. Commerce Department's metropolitan statistical areas designations, except in the case of several of the largest metropolitan areas, which sometimes consist of two or more STR-defined lodging markets. As shown in the table below, a single STR-defined lodging market in the vicinity of the metropolitan area accounts for 90% or more of the metropolitan area's hotel rooms in the case of six of the ten largest metropolitan areas by GDP.

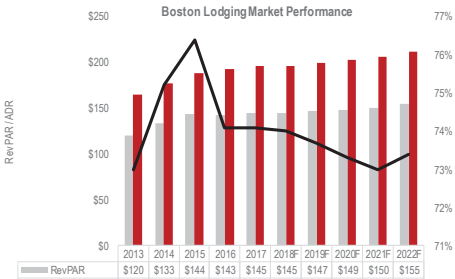
Top-10 Metropolitan Areas by Gross Domestic Product and Associated Lodging Markets

GDP Rank	Metropolitan Statistical Area	2017 GDP (Mil. USD)	Primary Lodging Market	Market Share of MSA Rooms	Other Noteworthy Component Lodging Markets (Share of MSA Rooms)
1	New York-Newark-Jersey City, NY-NJ-PA	$1,599,855	New York, NY	57%	Central NJ (10%); Newark, NJ (9%); Long Island (8%); Lower Hudson Valley (7%)
2	Los Angeles-Long Beach-Anaheim, CA	$1,039,436	Los Angeles/Long Beach, CA	64%	Anaheim/Santa Ana, CA (36%)
3	Chicago-Naperville-Elgin, IL-IN-WI	$635,210	Chicago, IL	94%	
4	Dallas-Fort Worth-Arlington, TX	$493,613	Dallas, TX	71%	Fort Worth/Arlington, TX (27%)
5	Washington-Arlington-Alexandria, DC-VA-MD-WV	$491,282	Washington, DC-MD-VA	100%	
6	Houston-The Woodlands-Sugar Land, TX	$465,893	Houston, TX	90%	
7	San Francisco-Oakland-Hayward, CA	$428,295	San Francisco/San Mateo, CA	68%	Oakland, CA (26%)
8	Boston-Cambridge-Newton, MA-NH	$417,252	Boston, MA	91%	
9	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	$402,863	Philadelphia, PA-NJ	87%	
10	Atlanta-Sandy Springs-Roswell, GA	$355,049	Atlanta, GA	98%	

Source: U.S. Bureau of Economy Analysis, Smith Travel Research, JLL

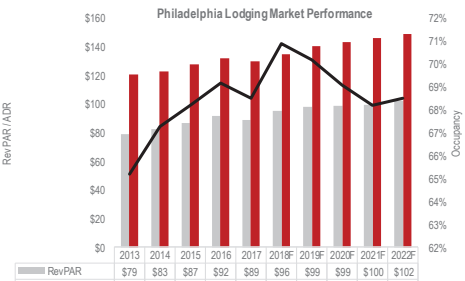
Notably, there is significant overlap between the top-25 lodging markets by room count and the lodging markets in the vicinity of the top-10 metropolitan areas by GDP. Given the strong correlation between lodging demand and GDP, areas with a larger GDP can generally support more hotel rooms. In fact, the primary lodging market[13] associated with each of the top-10 metropolitan areas by GDP ranks among the top-25 U.S. lodging markets in every case. Among the ten largest of the top-25 lodging markets, the performance of which we have already summarized in the preceding section, seven of them also represent the primary lodging market associated with the top-10 metropolitan areas by GDP; the exceptions are Orlando, Phoenix, and San Diego, where tourism accounts for a relatively large share of total economic output. The top-10 metropolitan areas by GDP tend to be among the most liquid hotel investment markets, and these largest markets also tend to attract the highest share of off-shore investment volumes, making them more attractive from an exit perspective.

The three lodging markets that take their place among the primary lodging markets associated with the top-10 metropolitan areas by GDP are San Francisco/San Mateo, CA, Boston, MA, and Philadelphia, PA-NJ. In the charts below, we have provided historical and projected operating performance data for these additional markets. Again, operating performance projections for 2018 through 2022 are produced independently by CBRE.



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$120	$133	$144	$143	$145	$145	$147	$149	$150	$155
RevPAR % Chg		10.9%	7.8%	-0.7%	1.8%	0.0%	1.3%	1.0%	1.2%	3.4%
ADR	$164	$177	$188	$193	$196	$196	$199	$203	$206	$212
Occupancy	73.0%	75.2%	76.4%	74.1%	74.1%	74.0%	73.7%	73.3%	73.0%	73.4%

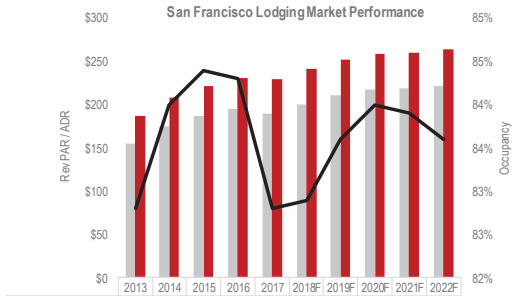
Source: Smith Travel Research, CBRE



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$79	$83	$87	$92	$89	$96	$99	$99	$100	$102
RevPAR % Chg		4.7%	5.4%	5.1%	-2.6%	7.3%	3.0%	0.8%	0.4%	2.4%
ADR	$121	$123	$128	$132	$130	$135	$140	$144	$146	$149
Occupancy	65.2%	67.3%	68.2%	69.2%	68.5%	70.9%	70.2%	69.1%	68.2%	68.5%

Source: Smith Travel Research, CBRE

[13] JLL has summarized the market performance for the primary lodging market associated with each top-10 metropolitan area by MSA. The primary lodging market accounts for the largest share of the metropolitan area's hotel rooms, and in the case of each of the top-10 metropolitan areas by GDP, the primary lodging market features a higher rate of projected RevPAR growth for the 5-year period between 2018 and 2022 than the other lodging markets in the metropolitan area, if applicable, for which we have projections from CBRE.



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$155	$175	$187	$194	$189	$200	$211	$217	$218	$221
RevPAR % Chg		12.8%	7.2%	3.7%	-2.5%	5.6%	5.6%	2.8%	0.5%	1.3%
ADR	$187	$208	$222	$231	$229	$241	$253	$259	$260	$265
Occupancy	82.8%	84.0%	84.4%	84.3%	82.8%	82.9%	83.6%	84.0%	83.9%	83.6%

Source: Smith Travel Research, CBRE

3.7 Impact of Government Policies on the U.S. Lodging Sector

The implications of the Tax Cuts and Jobs Act, trade tensions with America's trading partners, and immigration enforcement efforts may be more pronounced for the lodging sector than other real estate sectors given the unique nature of hotels as an asset class. Whereas operating fundamentals in the retail, office, and multi-family sectors are insulated from sudden changes in the economic environment to some extent given the longer-term nature of leases in these sectors, hotels are highly sensitive to changes in economic conditions as booking windows are relatively short and rates fluctuate.

Given that lodging demand has historically been highly correlated with GDP growth, hotels are expected to benefit from the Tax Cuts and Jobs Act to the extent that its tax cuts stimulate incremental economic growth. Corporate tax cuts may allow for more corporate spending on business-related travel, while individual tax cuts may spur additional leisure travel to the extent that consumers' discretionary income increases. The U.S. hotel performance data appear to support the case that the tax cuts, which took effect on January 1, 2018, have had a small but positive impact on RevPAR growth. After U.S. RevPAR growth decelerated to 3.1% in 2016 and 3.0% in 2017, year-to-date RevPAR growth through August 2018 has reaccelerated to 3.5%.

As discussed in Section 2.3, tariffs have resulted in an increase in the cost of some construction materials, which may limit supply growth and capital expenditures in the hotel sector if they persist in the long term. Given that hotel operations are relatively capital intensive[14], the impact of higher construction costs is likely to be a net negative for owners of existing hotel assets as well as for hotel developers. However, unlike other real estate assets, select hotels may benefit from the impact that tariffs have indirectly had on prices for some U.S. food commodities, which have declined in some instances due to retaliatory foreign tariffs that have depressed foreign demand for their consumption. Full-service hotels may benefit from lower food costs in this environment, though if U.S. farmers ultimately respond with reduced production of affected foodstuffs, the impact on food costs could prove transitory even if the retaliatory tariffs are not ultimately resolved.

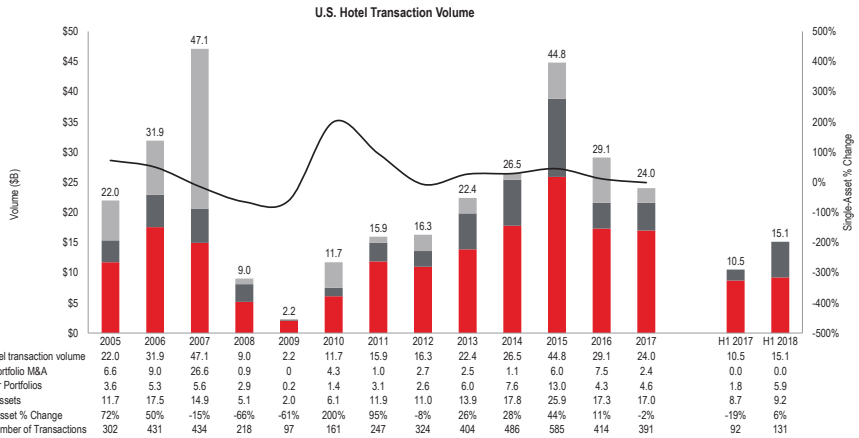
[14] Hotels often experience significant wear given the substantial number of hotel guests that they accommodate each night. Additionally, consumer tastes with respect to design and décor are constantly evolving. As a result, hotels typically require a substantial renovation at least once every 5 to 7 years to avoid appearing dated or worn. These renovations typically require significant capital expenditure.

While the nation's current immigration debate is not expected to materially impact the hotel sector, it is worth noting that the precipitous decline in the U.S. unemployment rate to 3.9% as of August 2018 has made it difficult for many U.S. employers to fill open job positions, and the hotel sector is highly labor intensive. To the extent that current immigration policies deter migration to the U.S., wage costs for U.S. hotels may increase incrementally.

4 U.S. Hotel Real Estate Market Overview

4.1 U.S. Hotel Transactions Activity

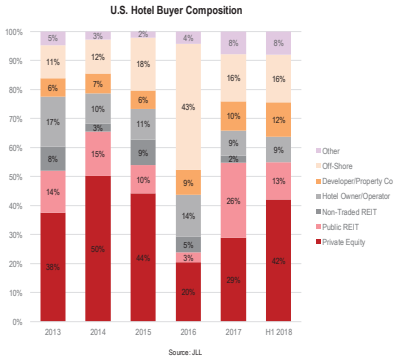
The volume of U.S. hotel investment sales increased dramatically between 2009 and 2015, when investment sales reached a cyclical peak of $44.8 billion. While total investment sales remained below the prior peak in 2007, single-asset sales reached an historic high of $25.9 billion in 2015. Since then, transaction activity has declined but remains robust with U.S. hotel transactions totaling $29.1 billion and $24.0 billion in 2016 and 2017, respectively. Most recently, year-to-date transactions in the first half of 2018 climbed 44% above the level recorded for the first half of 2017 due to significant portfolio transactions activity.



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	H1 2017	H1 2018
U.S. hotel transaction volume	22.0	31.9	47.1	9.0	2.2	11.7	15.9	16.3	22.4	26.5	44.8	29.1	24.0	10.5	15.1
Mega Portfolio M&A	6.6	9.0	26.6	0.9	0	4.3	1.0	2.7	2.5	1.1	6.0	7.5	2.4	0.0	0.0
All Other Portfolios	3.6	5.3	5.6	2.9	0.2	1.4	3.1	2.6	6.0	7.6	13.0	4.3	4.6	1.8	5.9
Single Assets	11.7	17.5	14.9	5.1	2.0	6.1	11.9	11.0	13.9	17.8	25.9	17.3	17.0	8.7	9.2
Single-Asset % Change	72%	50%	-15%	-66%	-61%	200%	95%	-8%	26%	28%	44%	11%	-2%	-19%	6%
Total Number of Transactions	302	431	434	218	97	161	247	324	404	486	585	414	391	92	131

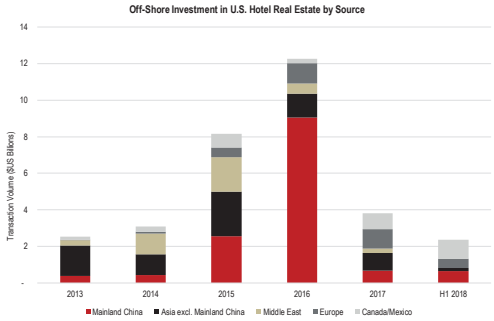
Source: JLL; transactions $5M and above; excludes casino transactions; mega portfolio pertains to deals $2 billion and above

While a wide range of investor types have pursued U.S. hotel acquisitions during recent years, private equity groups and public REITs have accounted for nearly 60% of hotel acquisitions since 2011. Off-shore investors have also periodically accounted for a sizeable share of U.S. hotel acquisitions. As shown in the first chart below, private equity groups and off-shore investors accounted for 42% and 16%, respectively, of total U.S. hotel acquisitions in the first half of 2018. Although public REITs accounted for only 13% of hotel acquisitions during this period, public REITs high share prices relative to recent history, as shown in the second chart below, suggest that they may be poised to increase their acquisitions activity in the near term.



Source: Wall Street Journal, JLL

While Chinese investment groups have recently become less active in their pursuit of U.S. hotel investments, off-shore investors remain a large source of capital for U.S. hotel acquisitions. In 2017, off-shore capital accounted for U.S. hotel acquisitions totaling $3.8 billion, and in the first half of 2018, off-shore investors pursued acquisitions totaling $2.4 billion. New York, San Francisco, Los Angeles, and Atlanta, all of which are markets in which the subject portfolio has assets, are among the top-destinations for off-shore hotel investments, as shown in the table below.

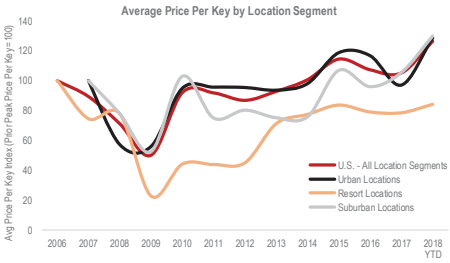


Off-Shore Investment Since 2012	
Metropolitan Area	**$US Billions**
New York	$10.0
Hawaii	$2.1
San Francisco	$1.9
Los Angeles	$1.4
Chicago	$1.0
Washington, DC	$0.7
Miami	$0.7
Boston	$0.5
Atlanta	$0.3

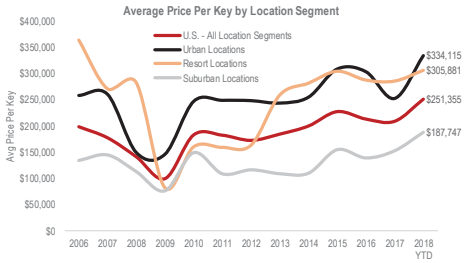
Note: Pertains to single-asset transactions only
Source: JLL

4.2 U.S. Hotel Cap Rates and Asset Prices

The average price per key for U.S. hotel sales has increased significantly during the current cycle, rising from $99,000 in 2009 to $209,000 in 2017. The average price for year-to-date transactions through early September 2018 rose further to $251,000 per key. While price gains since 2009 have been significant, appreciation relative to peak pricing in 2006 during the prior market cycle has been relatively moderate, suggesting that runway for further price increases remains. As shown in the following charts, the average price per key for U.S. hotel transactions in 2017 was only 5% higher than the prior peak in 2006, and the average price per key for year-to-date transactions through early September 2018 was approximately 27% higher than the prior peak. If year-to-date pricing trends remain intact through year-end, average price appreciation will amount to only 2.0% per year during the last 12 years. Notably, the resort segment, which contains a relatively high share of the subject portfolio's rooms as detailed further in Section 5.4, has generally lagged other location segments in hotel price appreciation relative to the prior cyclical peak, suggesting that the sector may have further runway for additional pricing gains than the broader U.S. hotel market.

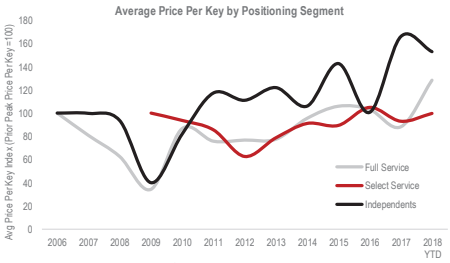


Note: Includes single-asset sales except for transactions of $1 billion or more. 2018 YTD data include transactions through early September. Source: JLL

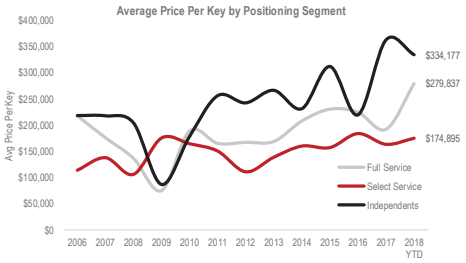


Note: Includes single-asset sales except for transactions of $1 billion or more. 2018 YTD data include transactions through early September. Source: JLL

The average price per key for full-service hotels in the U.S. has increased more significantly than pricing for select-service assets during recent years, perhaps partly due to greater supply growth pressures in the select-service segment as detailed in Section 4.3. We caution, however, that the distribution of hotel sales between markets in a given year may have a significant impact on national pricing trends, as hotel values vary significantly by market as well as by type. The average price per key for year-to-date transactions through early September 2018 is currently 28% higher than the prior peak for full-service hotels and on par with the prior peak for select-service hotels. As detailed further in Section 5.6, the subject portfolio consists mostly of rooms in the full-service segment, which commands a significant price premium relative to select-service hotels. Specifically, the average price per key for year-to-date transactions in the full-service segment amounted to $280,000 per key, compared to $175,000 per key in the select-service segment.

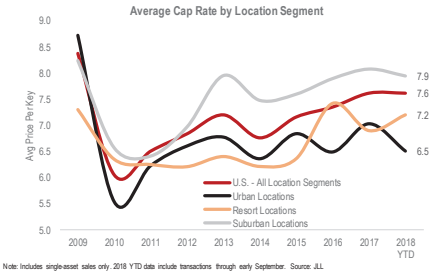


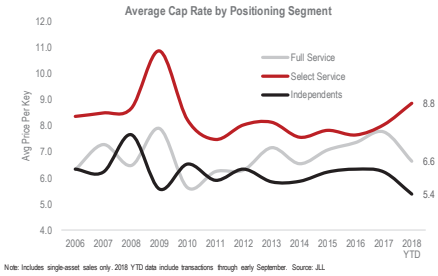
Note: Includes single-asset sales except for transactions of $1 billion or more. 2018 YTD data include transactions through early September. Source: JLL



Note: Includes single-asset sales except for transactions of $1 billion or more. 2018 YTD data include transactions through early September. Source: JLL

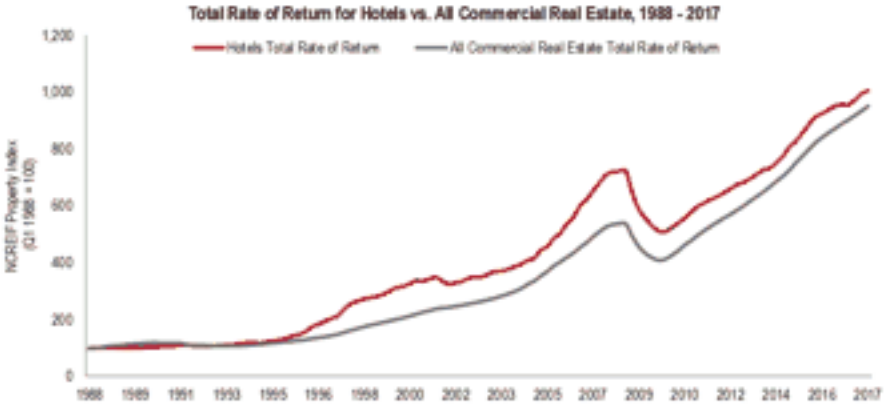
In the charts below, we have presented the average cap rate by location segment and by positioning type for all U.S. hotel transactions for which cap rate data are available. Cap rates appear to have drifted slightly higher in most segments since 2014 as interest rates in the U.S. have gradually increased and hotel performance has stabilized. The average cap rate for U.S. hotel sales increased to 7.6% for year-to-date transactions through September 2018 from 6.8% in 2014. The average cap rate for hotels in the resort and full-service segments, both of which contain relatively high shares of the subject portfolio's rooms, are lower at 7.2% and 6.6%, respectively, given generally higher barriers to entry in these segments. We caution, however, that the available cap rate data are limited in select segments in certain years, and the distribution of transactions by market in a given year may have had a noticeable impact on the average cap rate computed. For instance, the urban share of September 2018 year-to-date transactions in the full-service segment is higher relative to 2017, explaining lower average cap rate for this segment.





Source: JLL Hotel Investor Sentiment Survey, June 2018

As strong RevPAR growth and relatively low capitalization rates have allowed for rising hotel asset prices and strong hotel cash flow, the U.S. hotel sector has produced robust investment returns. According to data compiled by NCREIF, the total rate of return for hotel property investments has exceeded the average for U.S. commercial real estate during the last three decades, as shown in the chart below. Hotel investments have yielded a total rate of return of 9.3% per year during the past 25 years, compared to a total rate of return of 9.1% for U.S. commercial real estate. We expect the hotel sector to continue to produce robust investment returns as consumer spending on lodging and travel trends higher and the sector benefits from a balanced supply and demand outlook and asset valuations that remain moderate relative to the prior cycle's peak.



Source: JLL, NCREIF

5 Portfolio Investment Theses

5.1 Introduction

JLL compiled various metrics for the subject portfolio pertaining to the market segments in which it is expected to compete and the growth prospects for those segments to assess the subject portfolio's strength from an investment perspective. JLL compared the subject portfolio's performance on these metrics with corresponding national averages as well as with corresponding metrics for other publicly traded lodging REITs in the United States. Following its research and analysis, JLL identified several key attributes of the subject portfolio that are expected to bode well for its future operating performance and contribute to its desirability from an investor's vantage point; we have briefly summarized these portfolio investment theses below:

- The subject portfolio is expected to benefit from its exposure to U.S. metropolitan statistical areas with a strong historical and projected economic growth trajectory.
- RevPAR growth rates for the lodging markets in which the subject portfolio is located have been materially higher than the national average in recent years and are expected to remain strong in the near term.
- The subject portfolio is expected to benefit from its relatively high concentration of rooms in resort locations, which are expected to yield higher RevPAR growth during the next few years than most other location segments due to the concomitant impact of high barriers to entry and limited supply growth in the resort segment.
- The subject portfolio features a high share of rooms in the largest lodging markets in the U.S. as well as in the country's most populous states; these markets generally benefit from higher RevPAR as well as greater liquidity than smaller U.S. markets.
- The subject portfolio is expected to benefit from its high share of rooms with full-service, branded positioning. Supply growth in the full-service segment is expected to continue to be muted in comparison to the select-service segment, allowing for potentially stronger RevPAR growth. Additionally, full-service hotels benefit from significant ancillary revenue and valuations that are typically materially higher than their select-service counterparts.

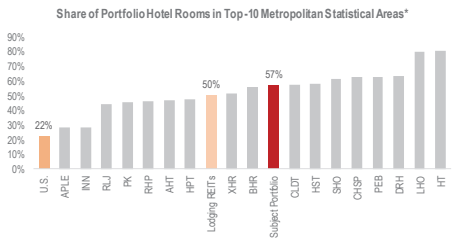
5.2 Exposure to Economically Stronger U.S. Metropolitan Statistical Areas

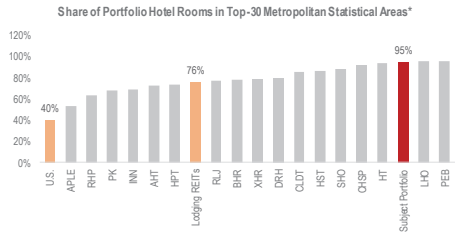
JLL compiled the nominal gross domestic product for each of the metropolitan statistical areas in which the subject portfolio has assets to measure their overall economic strength. JLL also reviewed the historical as well as the projected performance of key measures of economic performance for the U.S. metropolitan statistical areas in which the subject portfolio has assets to assess their economic growth trajectory.

Most of the subject portfolio's hotel rooms are located in the largest metropolitan statistical areas in the United States, as measured by gross economic output. Approximately 95% of the subject portfolio's rooms are located in the top-30 metropolitan statistical areas, and 57% of the portfolio's rooms are in top-10 metropolitan statistical areas.[15] As shown in the charts below, the subject portfolio's exposure

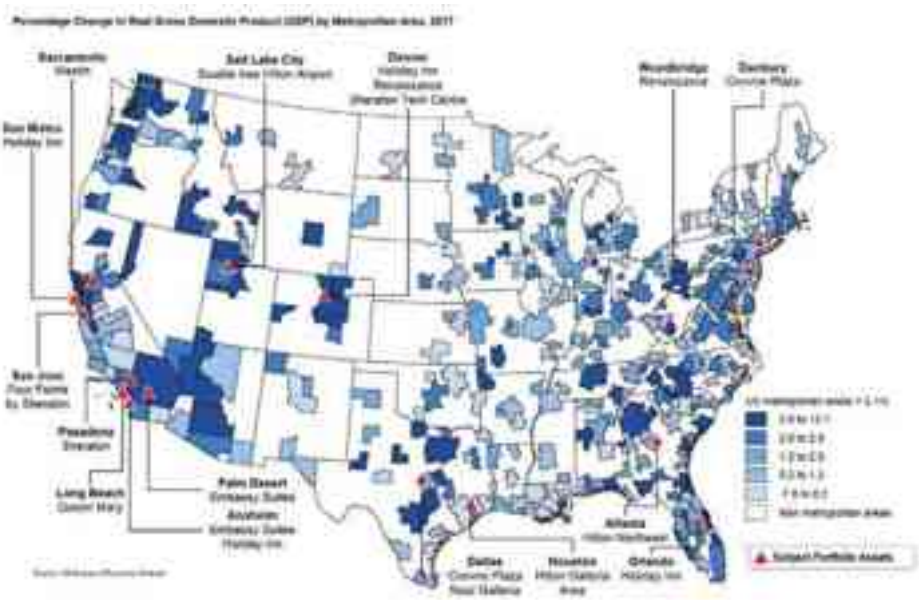
[15] We have assumed that the Bridgeport-Stamford-Norwalk metropolitan statistical area is included within the New York-Newark-Jersey City metropolitan statistical area and that the San Jose-Sunnyvale-Santa Clara metropolitan statistical area is included within the San Francisco-Oakland-Hayward metropolitan statistical area due to their proximity.

to the top-30 and top-10 metropolitan statistical areas, as measured by gross domestic product, is significantly higher than that of most publicly traded lodging REITs in the United States.

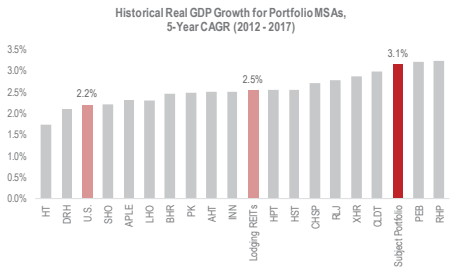


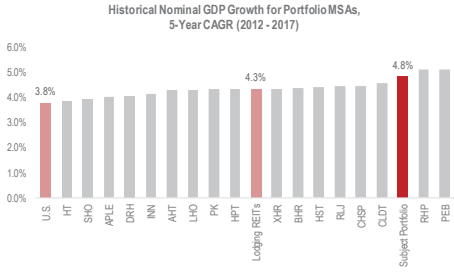


Additionally, JLL reviewed the historical average annual growth rates for real GDP, nominal GDP, employment, and wage and salary disbursements for every metropolitan area in the United States during the past five years, from 2012 through 2017. JLL further reviewed the projected average annual growth rates for these economic indicators during the next five years, covering the period from 2017 through 2022; these projections were produced independently by Moody's Analytics. To derive a weighted average growth rate measuring the performance of each economic indicator in the subject portfolio's component MSA, JLL weighted the average annual growth rates for each metropolitan area according to the share of the subject portfolio's rooms located in each metropolitan area. JLL performed this exercise for each of the other publicly traded lodging REITs to measure average growth rates for their component markets as well.



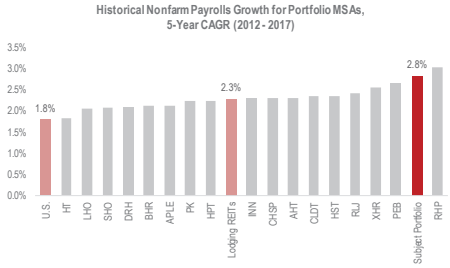
The metropolitan statistical areas in which the subject portfolio has assets have significantly outperformed the national average in terms of GDP growth, both in real and nominal terms, during the past five years. The weighted average annual real GDP growth rate between 2012 and 2017 for the subject portfolio's MSAs averaged 3.1%, compared to average annual growth of 2.2% for the U.S. and 2.5% for the MSAs collectively represented in the portfolios of 17 publicly traded U.S. lodging REITs. As illustrated in the charts below, the weighted average annual real GDP growth rate for the subject portfolio's component markets outperformed the corresponding figure for most publicly traded lodging REITs in the United States.

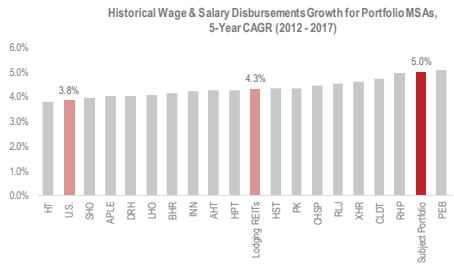




Source: U.S. Bureau of Economic Analysis, Moody's Analytics

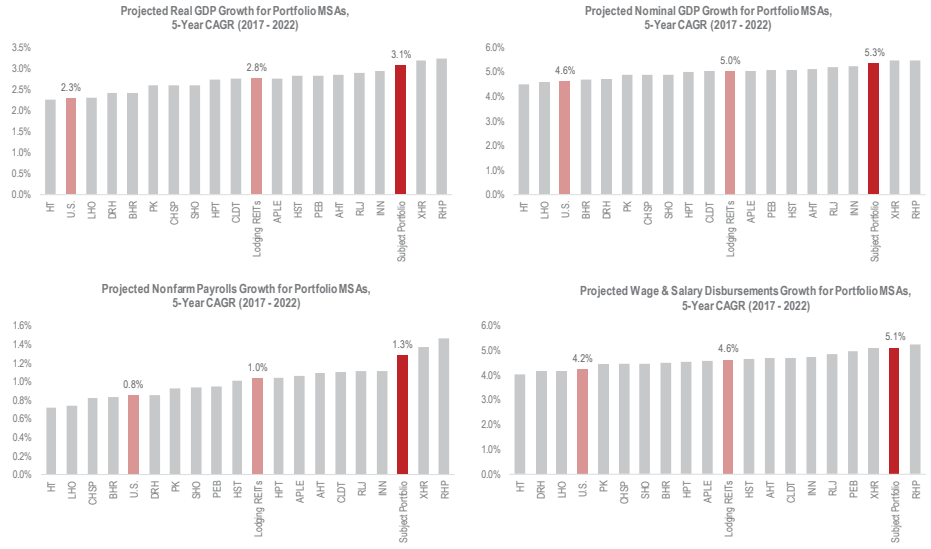
The metropolitan statistical areas represented in the subject portfolio also averaged higher historical growth rates for wage and salary disbursements and nonfarm payrolls than the corresponding national averages. As shown in the charts below, the subject portfolio outperformed most of the 17 publicly traded U.S. lodging REITs in this respect as well.





Source: U.S. Bureau of Labor Statistics, Moody's Analytics

The historical trend of higher real GDP growth in the subject portfolio's markets than the U.S. average is projected to continue through the foreseeable future, according to forecasts from Moody's Analytics. As shown in the charts below, between 2017 and 2022, the projected weighted average annual growth rates for nominal and real GDP, nonfarm payrolls, and wage and salary disbursements for the metropolitan areas in which the subject portfolio has rooms exceed the corresponding national averages as well as the averages for most of the publicly traded U.S. lodging REITs that we have compiled. Most notably, real GDP is projected to achieve a weighted average annual growth rate of 3.1% during the next five years for the subject portfolio's MSA, compared to projected growth for the U.S. of 2.3% per year during the same time period.



Source: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Moody's Analytics

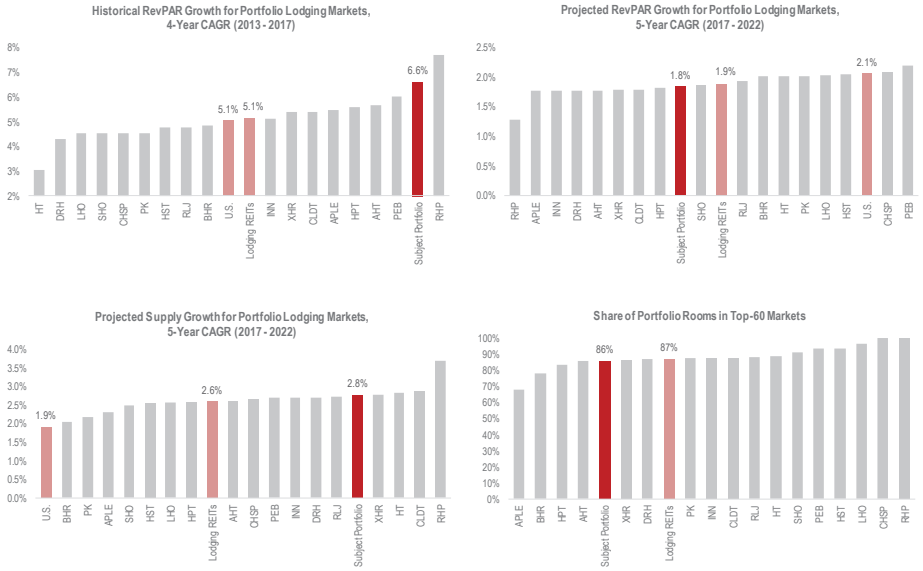
Given that JLL's research has shown a strong correlation between real GDP growth and lodging demand, the strong historic and projected real GDP growth rates for the subject portfolio's MSAs can be expected to positively influence future lodging demand growth and resulting RevPAR growth in those markets.

5.3 Exposure to High RevPAR Growth Markets

JLL reviewed historical as well as projected RevPAR growth rates for the lodging markets in which the subject portfolio has assets to assess the hotel operating fundamentals in those markets. Specifically, JLL obtained historical RevPAR data covering the period from 2013 through 2017 as well as RevPAR projections spanning 2018 through 2022 from CBRE for the 60 major lodging markets for which CBRE produces forecasts. JLL weighted the average annual RevPAR growth rates for each lodging market in which the subject portfolio has properties according to the share of the subject portfolio's rooms located in each lodging market to derive a weighted average annual RevPAR growth rate for the subject portfolio's component lodging markets. JLL performed this exercise for each of the other publicly traded lodging REITs to measure weighted average RevPAR growth rates for their component lodging markets as well. The 60 major lodging markets for which JLL obtained data cover 87% of the subject portfolio's rooms and between 68% and 100% of the rooms in each of the publicly traded lodging REITs' portfolios; JLL applied average historical and projected RevPAR growth rates for all other markets to the share of rooms not located in CBRE's 60 major lodging markets in its computations.

The lodging markets in which the subject portfolio are present have averaged higher RevPAR growth from 2013 to 2017 than both the United States and the lodging markets collectively represented in the portfolios of 17 publicly traded U.S. lodging REITs. The weighted average annual RevPAR growth rate for the subject portfolio's lodging markets for the period from 2013 through 2017 amounted to 6.6%, compared to 5.1% for both the U.S. and the publicly traded U.S. lodging REITs' component markets. While average supply growth in the subject portfolio's lodging markets is expected to exceed the national average, strong economic growth is projected to maintain RevPAR growth that is broadly in

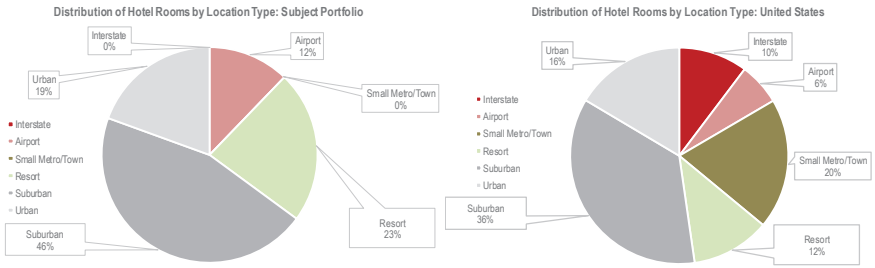
line with the national average during the next few years. The weighted average annual RevPAR growth rate for the subject portfolio's lodging markets is projected at 1.8% from 2017 through 2022, according to JLL's compilation of independent forecasts from CBRE. The lodging markets represented in the public lodging REITs' portfolios are projected to realize average annual RevPAR growth of 1.9% during this time, and national RevPAR growth is projected slightly higher at 2.1%.



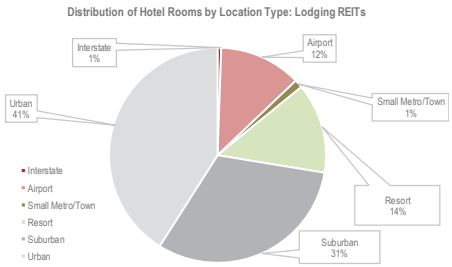
Source: Smith Travel Research, CBRE, JLL

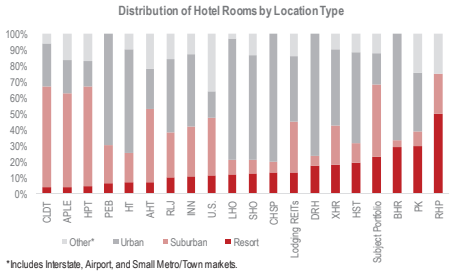
5.4 Exposure to Resort Locations

The subject portfolio features a materially higher share of rooms in resort locations than both the United States and the collective portfolios of the 17 publicly traded U.S. lodging REITs that we have reviewed. Approximately 23% of the subject portfolio's rooms are positioned in resort locations[16]*, compared to 12% of all rooms in the U.S. and 14% of the rooms in the combined portfolios of 17 publicly traded U.S. lodging REITs, as shown in the charts below.



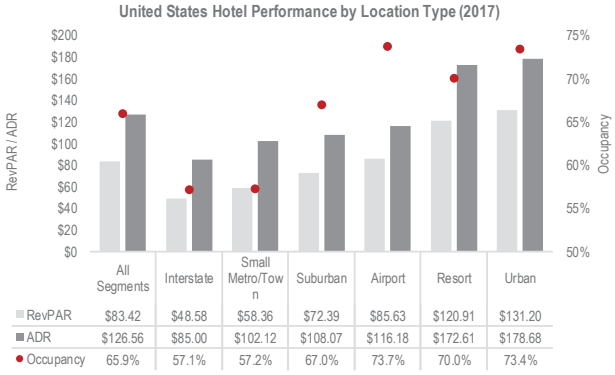
[16] Please refer to appendix for a definition of what constitutes a 'resort' location type.



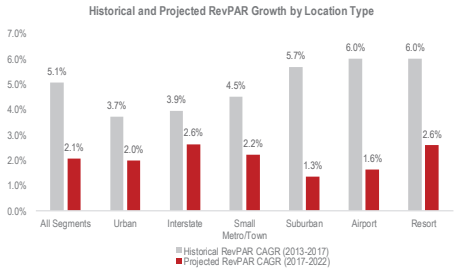


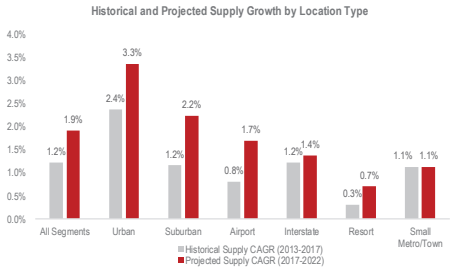
Source: Smith Travel Research, JLL

There are several positive implications associated with the subject portfolio's relatively high exposure to assets in resort locations. Notably, the resort segment featured higher average RevPAR in 2017 than all other location segments in the U.S. except for the urban location segment, as shown in the chart below. Hotels in resort locations featured an average RevPAR of $121 in 2017, compared to average RevPAR of $83 for all hotels in the U.S. The resulting premium amounts to 45%.



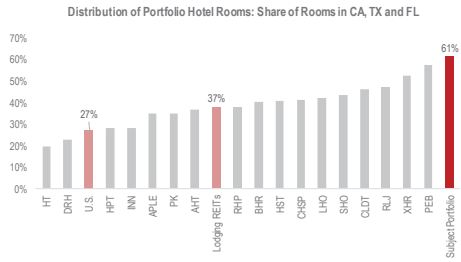
In addition to relatively high RevPAR on an absolute basis, the resort segment has also realized noticeably higher RevPAR growth than the U.S. average in recent years – a trend that is expected to continue over the course of the next several years according to independent RevPAR growth forecasts from CBRE. As shown in the charts below, annual RevPAR growth in the resort segment averaged 6.0% between 2013 and 2017, compared to average annual RevPAR growth of 5.1% for the U.S. Given limited supply growth due to high barriers to entry in the resort segment as well as expectations for strong leisure demand growth in the context of strong national economic growth prospects, RevPAR growth in the resort segment is expected to continue to outpace the national average. Specifically, CBRE forecasts an average annual RevPAR growth rate of 2.6% for the resort segment between 2017 and 2022, compared to 2.1% for all location segments in the U.S.

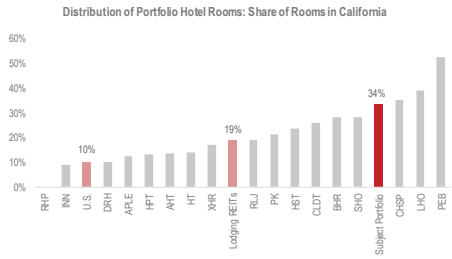




5.5 Exposure to Large, Highly Liquid Lodging Markets

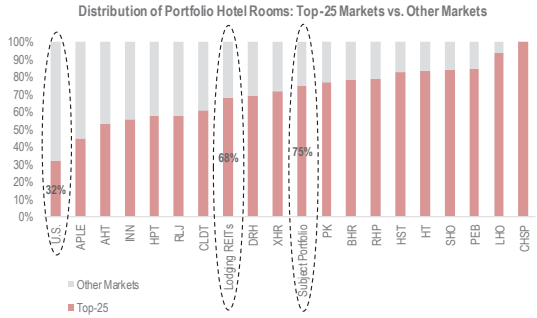
The subject portfolio features a high concentration of its rooms in the country's three most populous states as well as in the 25 largest U.S. lodging markets, or top-25 U.S. markets, as defined by Smith Travel Research. California, Texas, and Florida are the most populous states in the U.S. as well as the states with the most hotel rooms, accounting both for approximately 27% of the national population and U.S. hotel rooms. As shown in the charts below, the share of the subject portfolio's rooms in California, Texas, and Florida, which amounts to 61%, is larger than the three states' share of the national rooms supply or their share of rooms supply at each of the 17 publicly traded lodging REITs that we have reviewed. California is especially heavily represented in the subject portfolio with 34% of its rooms, compared to 10% of the total U.S. rooms supply and 19% of the publicly traded lodging REITs' total rooms supply.





Source: Smith Travel Research, JLL

The top-25 U.S. lodging markets also account for a disproportionate share of all U.S. hotel rooms with 32% of the nation's rooms supply located in these markets. Again, the subject portfolio features a higher share of rooms in these markets than either their national share of total rooms supply or their share of the total rooms supply among the publicly traded lodging REITs that we have reviewed.



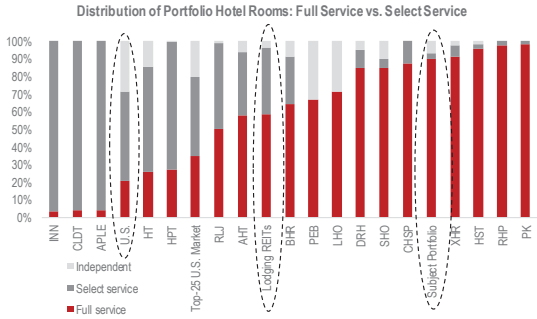
Source: Smith Travel Research, JLL

The subject portfolio's exposure to the nation's three largest states and its top-25 lodging markets is desirable in that these states and markets feature enhanced liquidity in the transactions market for lodging properties. California, Florida, and Texas have achieved the highest number of single-asset hotel transactions since 2015, and they account for three of the five states with the highest dollar volume of hotel property sales during this time as well. Similarly, the top-25 U.S. lodging markets account for an outsized share of the nation's hotel transactions; while 32% of the nation's rooms supply is in top-25 markets, these markets have accounted for 69% of the nation's total hotel sales volume since 2015. Notably, top-25 markets also generally benefit from higher RevPAR and higher hotel valuations than other markets as well; RevPAR for top-25 U.S. markets was 66% higher than RevPAR for other U.S. markets in 2017, and the average price per key for hotel properties that transacted in top-25 markets since 2015 was 50% higher than in other U.S. markets during this time.

Source: Smith Travel Research, JLL

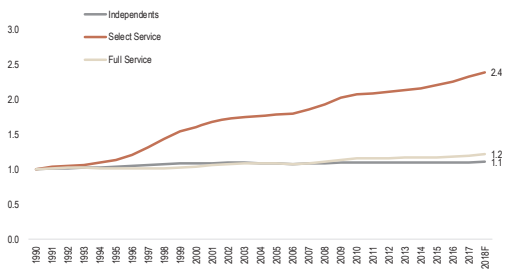
5.6 High Concentration of Assets with Full-Service, Branded Positioning

The subject portfolio consists mostly of lodging properties with full-service, branded positioning. As shown in the chart below, approximately 90% of the rooms in the subject portfolio are affiliated with full-service brands and 4% of its rooms feature select-service brands with the balance of its rooms located in independent hotels. In the United States, full-service brands represent 21% of total rooms supply and select-service brands represent 51% of total rooms supply; Full-service brands account for 58% of total rooms supply in the 17 publicly traded lodging REITs' portfolios and select-service brands comprise 38% of their total rooms.

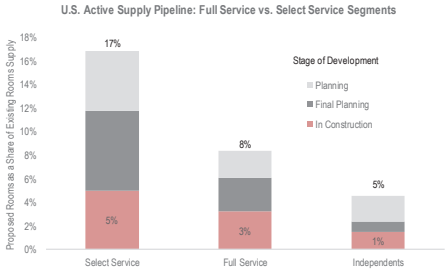


Source: Smith Travel Research, JLL

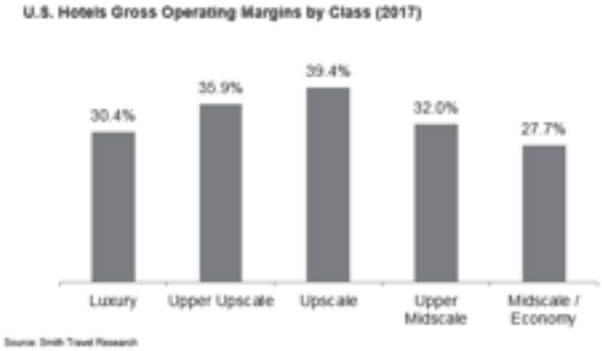
There are several positive implications associated with the subject portfolio's largely full-service, branded orientation. Notably, supply growth in the select-service segment has significantly outpaced supply growth in the full-service segment since 1990, and this trend is expected to continue given the brand composition of the current new supply pipeline. To the extent that the differential in supply growth between the two segments has been driven not only by consumer preferences but also by higher barriers to development in the full-service segment, full-service hotels may be expected to achieve higher RevPAR growth than their select-service peers.



Note: Pertains to JLL's segmentation of U.S. hotels as of 2018 for which the opening date is know, subsequently grossed up to the total number of rooms for the year. Hotels which were in the inventory prior to 2018 but have since closed are not included in the % segmentation, and hotels which changed positioning prior to 2018 are counted in the respective segmentation based on how they were positioned in 2018. Source: JLL, Smith Travel Research

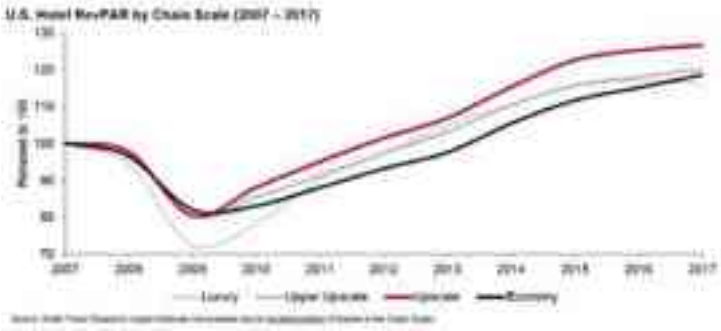


Additionally, full-service hotels benefit from significant ancillary revenue as well as lower capitalization rates and correspondingly higher valuations on a per key basis than their select-service peers. According to the *Host Almanac 2018*, Smith Travel Research's annual survey of hotel operating performance, the full-service hotels reported average ancillary revenue of $108 per occupied room, compared to $4 per occupied room for select-service hotels in 2017. This higher base of revenue also tends to drive higher profitability margins. Per Smith Travel Research's *Host Almanac 2018*, which provides a summary of data points from full-year 2017, the Upper Upscale class (pertains to full-service hotels as discussed in this report previously), saw gross operating profit margins of 35.9%, as compared to the upper midscale and midscale / economy classes which saw gross operating profit margins of 32.0% and 27.7%, respectively.



Full-service hotels average significantly higher valuations due to the combined impact of higher ancillary revenue and materially lower capitalization rates, as detailed in Section 4.2.

Furthermore, indexing U.S. hotel RevPAR performance by positioning level for branded hotels, shows that the upscale and upper upscale categories have evidenced the most growth since the 2007 peak. Luxury hotels have not seen the same level of growth, and lag the two aforementioned categories.


U.S. Hotel RevPAR by Chain Scale (2007 – 2017)
2014
2015
2016
2017
Economy

6 Market and Asset Overviews

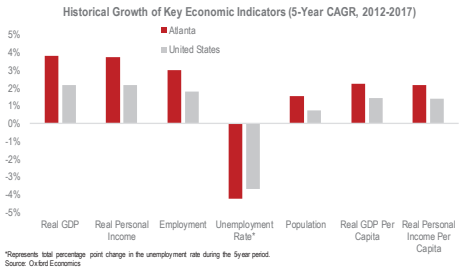
JLL has reviewed the market positioning of each property in the subject portfolio and assessed each of the MSAs and lodging markets in which the subject portfolio has assets on an individual basis. Specifically, JLL compiled economic indicators for each MSA as well as performance and valuation metrics for each lodging markets represented in the subject portfolio. JLL also assessed key demand generators for each property in the subject portfolio and evaluated each property's positioning and performance history relative to its competitive market. We have organized our market and asset analysis for each property according to the metropolitan area in which it is located, as outlined in the following sections.

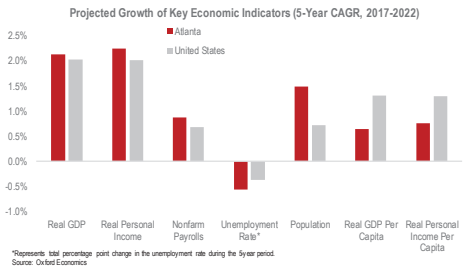
6.1 Atlanta-Sandy Springs-Roswell Metropolitan Statistical Area

The subject portfolio includes one hotel in the Atlanta-Sandy Springs-Roswell metropolitan statistical area, namely the 272-room Hilton Atlanta Northeast.

6.1.1 Economic Overview

The Atlanta-Sandy Springs-Roswell metropolitan statistical area ("Atlanta" or "Atlanta metropolitan area") has achieved stronger economic growth, as measured by a range of economic indicators, than the United States from 2012 - 2017, and this trend is generally expected to continue during the next five years according to projections from Oxford Economics. From 2012 - 2017, real GDP growth averaged 3.8% per year compared to 2.2% for the U.S. and the unemployment rate declined 4.3 percentage points compared to 3.7 percentage points for the U.S. Both stronger population and productivity growth contributed to Atlanta's high real GDP growth rate. From 2017 – 2022, high population growth is primarily expected to drive real GDP growth of 2.1% per year, compared to 2.0% per year for the U.S.





6.1.2 Industry Composition and Key Corporate Demand Drivers

The Atlanta-Sandy Springs-Roswell metropolitan statistical area features a relatively high share of employment in the Trade, Transportation & Utilities sector as well as in the Professional & Business Services sector. The metropolitan area has the largest gross domestic product and the second largest population in the Southeastern United States, and its Hartsfield-Jackson Atlanta International Airport ranks as the busiest airport in the world. Given these strong economic advantages, the metropolitan area provides an attractive location for companies in the Trade, Transportation & Utilities and Professional & Business Services sectors; the Trade, Transportation & Utilities sector benefits from the region's strong transportation infrastructure, and the Professional & Business Services sector benefits from its large, economically productive population base. The table below summarizes the share of

employment by sector in the Atlanta-Sandy Springs-Roswell metropolitan statistical area in comparison to the national average:

Share of Employment by Industry (2017)		
Sector	Atlanta-Sandy Springs-Roswell, GA	United States
Trade, Transportation & Utilities	22%	19%
Professional & Business Services	18%	14%
Education & Health Services	13%	16%
Government	12%	15%
Leisure & Hospitality	11%	11%
Financial Activities	6%	6%
Manufacturing	6%	8%
Natural Resources, Minining & Construction	5%	5%
Other Services	4%	4%
Information	4%	2%
Total	100%	100%

Source: U.S. Bureau of Labor Statistics, Moody's Analytics, JLL

The Atlanta-Sandy Springs-Roswell metropolitan statistical area offers an attractive headquarters location for large companies based upon its strong accessibility, favorable climate, business friendly environment, and relatively low cost of living. Delta Air Lines and The Home Depot are headquartered in the area as a result, and many other large companies maintain a large corporate presence in the region as well. The largest companies in the Atlanta-Sandy Springs-Roswell metropolitan statistical area are summarized in the following table:

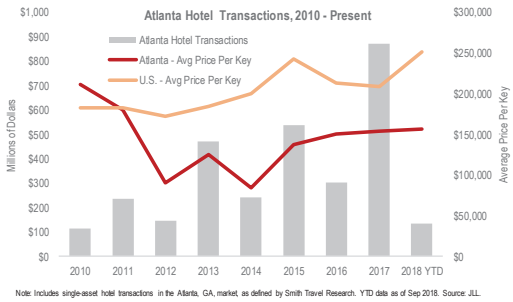
Major Employers: Atlanta-Sandy Springs-Roswell, GA Metropolitan Statistical Area		
Rank	Employer	Employees
1	Delta Air Lines Inc.	31,699
2	Wal-Mart Stores Inc.	26,000
3	The Home Depot Inc.	25,000
4	Emory University	24,535
5	WellStar Health System Inc.	20,000
6	AT&T Inc.	17,000
7	Northside Hospital	14,577
8	Piedmont Healthcare	12,906
9	Emory Healthcare	12,166
10	Marriott International	12,000
11	Publix Supermarkets	9,755
12	Georgia State University	9,422
13	Centers for Disease Control	9,151
14	Cox Enterprises Inc.	8,269
15	The Coca-Cola Co.	8,000
16	Southern Co.	7,800
17	Coreslab Structures	7,571
18	Children's Healthcare of Atlanta	7,208
19	SunTrust Banks Inc.	7,128
20	State Farm, Southeastern Market Area	7,000

Source: Metro Atlanta Chamber of Commerce, 2017

6.1.3 Hotel Investment Overview

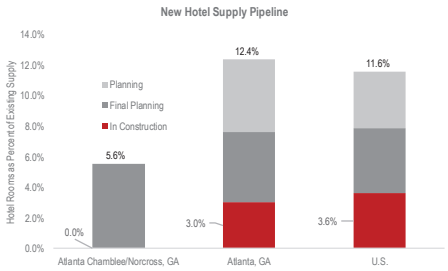
Hotel transactions totaling approximately $3.1 billion have occurred in the Atlanta lodging market since 2010, making it among the ten most liquid lodging markets in the U.S. In addition to economic factors, the number and type of assets available for sale may have an appreciable impact on the volume of hotel transactions as well as average pricing metrics in a given year. Therefore, we focus on longer-term trends rather than year-to-year variability in assessing the strength of hotel investment markets. In the Atlanta lodging market, hotel sales have generally trended higher in recent years with

transactions reaching $872 million in 2017. Surveying hotel transactions in the market since 2015, Atlanta's average capitalization rate amounts to 7.5%, compared to 7.4% for transactions nationwide, and its average sales price is approximately $148,000 per key, compared to $228,000 per key for the U.S.[17]



6.1.4 Lodging Market Performance

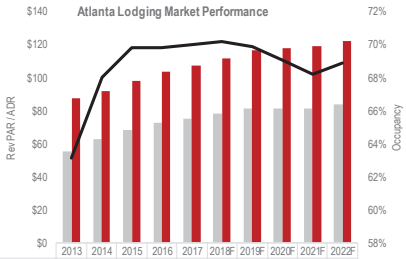
The active new supply pipeline for the Atlanta lodging market, which includes hotel rooms in the planning, final planning, and construction stages, is slightly higher than the national average[18]. According to data compiled by Smith Travel Research, the Atlanta lodging market's pipeline amounts to 12.4% of existing rooms inventory, compared to 11.6% for the U.S. The supply pipeline can vary significantly by submarket, however, and the submarket in which the subject portfolio's only Atlanta area hotel is located – the Atlanta/Chamblee Norcross submarket – features a noticeably smaller active pipeline, as shown in the first chart below. Considering Atlanta's supply pipeline as well as expectations for decelerating real GDP growth, supply growth is expected to temporarily outpace demand growth in the Atlanta market during the next few years according to projections from CBRE. In the case of the Atlanta/Chamblee Norcross submarket, however, we expect more balanced demand and supply growth given its relatively constrained pipeline.



The Atlanta lodging market realized average annual RevPAR growth between 2013 and 2017 of 7.9%, ranking 9th among 60 major U.S. lodging markets for which we have available data. Given the expectation that supply growth will outpace demand growth during the next few years, the market's occupancy is expected to decline slightly from approximately 70% in 2018 to 68% by 2021, while ADR growth is expected to moderate from 4.0% and 4.4% in 2018 and 2019, respectively, to 1.2% annually

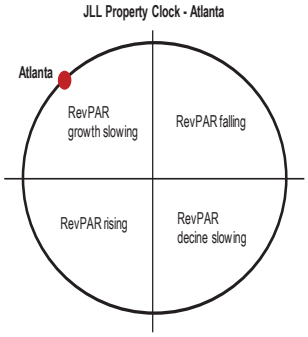
[17] In our discussion of hotel transactions and capitalization rates, we refer to the relevant lodging market as defined by Smith Travel Research for the metropolitan area referenced throughout this report; we do not refer to the city itself. This applies to hotel transactions for the Atlanta lodging market as well as all other major lodging markets discussed throughout this report.
[18] Please refer to the appendix for a definition of these pipeline phases.

in 2020 and 2021 as the market's new supply is absorbed. RevPAR growth between 2017 and 2022 is expected to average 2.3% annually, ranking 16th among 60 major U.S. lodging markets according to projections from CBRE. The charts below summarize historical and projected RevPAR growth in the Atlanta market as well as Atlanta's position on JLL's Property Clock.



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$55	$63	$68	$72	$75	$78	$81	$81	$81	$84
RevPAR % Chg		13.0%	9.2%	5.8%	3.8%	4.3%	3.8%	0.0%	-0.1%	3.6%
ADR	$88	$92	$98	$104	$107	$111	$116	$118	$119	$122
Occupancy	63.1%	68.0%	69.8%	69.8%	70.0%	70.2%	69.9%	69.1%	68.2%	68.9%

Source: Smith Travel Research, CBRE



6.1.5 Hilton Atlanta Northeast: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of the Hilton Atlanta Northeast ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. The Hilton Atlanta Northeast is the only hotel in the subject portfolio that is located in the Atlanta metropolitan area.

Location Description

The Subject Hotel is situated at 5993 Peachtree Industrial Boulevard in the City of Atlanta, in Gwinnett County, Georgia. The hotel is approximately 0.9 miles northeast of the intersection formed by Georgia State Routes 140 and 141. It sits along the north side of Peachtree Industrial Boulevard, between Technology Parkway South and Holcomb Bridge Road.

Access to the site is granted via Peachtree Industrial Boulevard which runs northeast/southwest along the southeast perimeter of the site. The site is bordered by vacant land and offices, followed by Hampton Inn by Hilton to the North; office buildings to the East; Peachtree Industrial Boulevard, followed by offices to the South; and Pointe Parkway Northwest, followed by offices to the West.

The Subject's location is considered very good, given its immediate proximity to shopping, dining, and entertainment, as well as major office parks that are home to substantial corporate demand generators. The Subject Site is located 16.5 miles northeast of Downtown Atlanta.

Market Positioning

The Subject Hotel is located within the Atlanta Chamblee/Norcross tract within the greater Atlanta lodging market, according to STR. This tract is comprised of 7,537 rooms across a total of 58 hotels. Of the rooms supply, approximately 55.9% are within the economy class, followed by 17.2% within the upper midscale class, and 11.2% within the upscale class. The Subject Hotel is a full-service hotel that falls within the upper upscale class, which comprises 10.4% of the submarket. In this submarket, the greatest room shares are attributed to Independent hotels, Hilton Worldwide hotels, Marriott

International hotels, Choice Hotels International hotels, and Westmont Hospitality Group hotels, respectively. The Subject belongs to the Hilton Worldwide family of brands, which account for 15.0% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

The Subject Hotel realized average annual RevPAR growth of 7.8% between 2013 and 2018, compared to 5.6% for its competitive set. As a result, its RevPAR Index has improved from approximately 113% in 2013 to 125% in 2018.

Competitive Set Performance

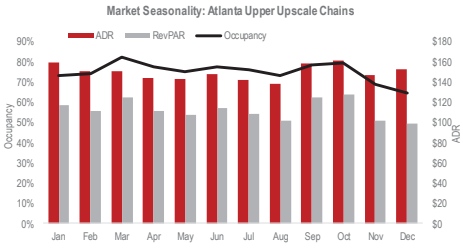
Occupancy	2013	2014	2015	2016	2017	2018
Hilton Atlanta Northeast	67.4%	76.5%	70.1%	53.0%	73.2%	78.8%
% Change		*13.5%*	*-8.4%*	*-24.4%*	*38.1%*	*7.6%*
Competitive Set	71.5%	73.7%	76.4%	74.5%	66.7%	71.3%
% Change		*3.1%*	*3.7%*	*-2.5%*	*-10.5%*	*7.0%*
Index (MPI)	94.3	103.8	91.8	71.1	109.8	110.5
Average Daily Rate (USD)						
Hilton Atlanta Northeast	$99.17	$102.14	$106.93	$116.10	$122.88	$123.65
% Change		*3.0%*	*4.7%*	*8.6%*	*5.8%*	*0.6%*
Competitive Set	$82.88	$90.29	$96.72	$103.19	$106.99	$108.97
% Change		*8.9%*	*7.1%*	*6.7%*	*3.7%*	*1.9%*
Index (ARI)	119.7	113.1	110.6	112.5	114.9	113.5
RevPAR (USD)						
Hilton Atlanta Northeast	$66.84	$78.14	$74.96	$61.53	$89.92	$97.40
% Change		*16.9%*	*-4.1%*	*-17.9%*	*46.1%*	*8.3%*
Competitive Set	$59.26	$66.54	$73.89	$76.88	$71.32	$77.70
% Change		*12.3%*	*11.0%*	*4.0%*	*-7.2%*	*8.9%*
Index (RGI)	112.8	117.4	101.4	80.0	126.1	125.3

Competitive set includes: Marriott Atlanta Peachtree Corners (222 rooms), Courtyard Atlanta Norcross Peachtree Corners (131 rooms), Hampton Inn Atlanta Peachtree Corners Norcross (148 rooms), Hyatt Place Atlanta Norcross Peachtree (126 rooms), Home2 Suites Atlanta Norcross (115 rooms), Residence Inn Atlanta Norcross Peachtree Corners (120 rooms).

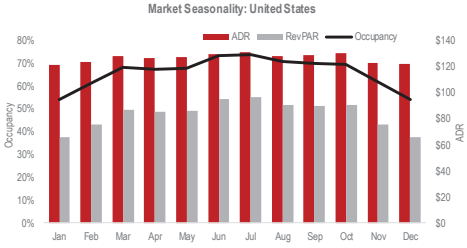
Source: Smith Travel Research

Demand Seasonality

As shown in the following charts, upper upscale, branded hotels in the Atlanta lodging market are not subject to seasonal demand patterns that are significantly more pronounced than those generally experienced by hotels in the United States. Typically, RevPAR in the U.S. declines during the colder winter months, especially in December when the holidays result in a decline in business-related transient and group travel.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Access

Hartsfield-Jackson Atlanta International Airport is located approximately 24.4 miles south southwest of the Subject Site. From the Subject, motorists would take Georgia State Route 141 South and Interstate 85 South to Charles W. Grant Parkway for a total of 28.7 miles, thereafter arriving to the airport.

Primary regional access through the Greater Atlanta, Georgia area is provided by Interstates 20, 75, and 85, three major thoroughfares that run directly through the city. Interstate 20 follows along the southern edge of Downtown Atlanta, running east toward Augusta and west toward Birmingham, Alabama. Interstate 75 runs south through Macon and north through Chattanooga, Tennessee. Interstate 85 extends northeast from Midtown Atlanta through Spartanburg, continuing on through Charlotte, North Carolina. Secondary roadways offer additional connectivity throughout the area. For instance, Interstate 285 ("The Perimeter") forms a complete 64-mile loop connector around Atlanta and is reportedly the most traveled roadway in the Greater Atlanta Area. Several alternative routes, such as US Routes 19 (north/south), 23 (north/south), 29 (north/south), 41 (north/south), 78 (east/west), 278 (east/west) and several Georgia State Routes provide enhanced accessibility to and from Peachtree Corners and the surrounding areas.

Public Transportation

The Metropolitan Atlanta Rapid Transit Authority ("MARTA") operates a robust heavy rail, light rail, and bus transit network that extends throughout the Atlanta area. Further service throughout Gwinnett County is provided through Gwinnett County Transit via commuter buses. In early 2018, plans to extend Atlanta's heavy rail service north from Doraville MARTA station to a new multimodal hub near Norcross were announced.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

Hilton Atlanta Northeast	
Attraction	**Distance to Subject**
The Forum of Peachtree Parkway	2.1 mi.
Chattahoochee River National Recreation Area	6.1 mi.
Autrey Mill Nature Preserve and Heritage Center	4.7 mi.
Southeastern Railway Museum	5.0 mi.
Brook Run Park	4.3 mi.
Jones Bridge Park	3.0 mi.
West Gwinnett Park Aquatic Center	3.2 mi.
Deer Valley Golf Range	2.6 mi.
Treetop Quest Dunwoody	4.4 mi.
Perimeter Mall	6.6 mi.

Convention Center

The Georgia World Congress Center, located 16 miles from the Subject Hotel, is situated at the southeast quadrant of the intersection formed by Northside Drive and Joseph E. Boone Boulevard,

immediately northwest of Downtown Atlanta, Georgia. The center originally opened in 1976, debuting the original 350,000 square feet of exhibition space.

Since opening, the venue has undergone three expansions, with the last update completed in 2002. The convention center currently amounts to 3.9 million square feet, including 1.4 million square feet of exhibit space. The largest exhibit space is 600,000 square feet.

In August of 2018, Atlanta broke ground on the first major expansion of the convention center since 2002. The project will cost an estimated $55 million and feature a new 100,000 square foot exhibit hall to join two of the center's existing building. Upon completion, the convention center will be one of only five in the United States to offer 1.0 million square feet of contiguous exhibit space. A new luxury convention center hotel will also be constructed on the former site of the Georgia Dome.

Community/Infrastructure Development

Notable developments in the Gwinnett County area include:

- The addition of an autonomous vehicle test track in Peachtree Corners will cost an estimated $2.0 million and run 1.4 miles along the city's Technology Parkway.
- The Town Center development is currently underway at the intersection of Peachtree Corners and Medlock Bridge Road and is expected to reach completion in late 2018/early 2019.
- In 2017, Peachtree Corners City Council approved an economic development plan to be completed in 2022. The plan will address traffic congestion and housing options, as well as expand current business clusters and remedy aging commercial properties.
- In 2018, a plan to extend Atlanta's MARTA heavy rail service from Doraville to Norcross was announced.

Notable developments in the nearby City of Atlanta include:

- Facebook is currently considering a 400-acre data center complex with a $42.0 billion investment spread over two decades.
- CIM Group has proposed a $5.0 billion mixed-use development on 40-acres in downtown Atlanta, known as "The Gulch". The city is expected to vote on the proposal in mid-October 2018.
- Centennial Olympic Park is currently under construction, introducing a new events building, plazas, park entrances, and an amphitheater slated for completion at the end of 2018.
- In August of 2018, Atlanta began its first major expansion of the Georgia World Congress Center in 16 years. The estimated cost for the project is $55 million.
- The Georgia Aquarium is set for expansion toward Baker Street and Centennial Olympic Park. The project is expected to begin in late 2018 and open in 2020.
- MARTA and Atlanta have proposed 21 miles of light rail line extensions and 18 miles of bus line extensions through the Clifton Corridor, downtown, and in southwest Atlanta. Other proposed improvements include the addition of two transit centers and the renovation of existing

stations. The project includes the partial development of the Beltline loop, a 22-mile network of trails and parks that will also eventually include public transportation.

SWOT Analysis

Strengths	Weaknesses
• Proximity to several technology and business parks immediately north of Atlanta • Has approximately 20,000 sq. Ft. of meeting space, one of the largest amounts of area hotels	• Lack of efficient access via public transportation to Atlanta attractions
Opportunities	**Threats**
• Atlanta seeks to extend public transit access to north suburbs, including Norcross/Peachtree areas. • Town Center Development will enhance feel of community/sense of place in the neighborhood • Test track for autonomous vehicles demonstrates a start-up friendly environment and should increase tech presence and related-business activity in the area	• Supply growth in the market may impact RevPAR growth potential to some extent

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The Atlanta Chamblee/Norcross submarket in which the Subject Hotel is located is primarily known for the large concentration of office developments and company headquarters in the area. It is also the site of large retail shopping developments that serve the surrounding suburban residential communities, the most notable of which is The Forum of Peachtree Parkway, which contains nearly 100 retail and dining establishments. As a result, the location of notable company offices and retail developments in the area have been shown on the following map as well.

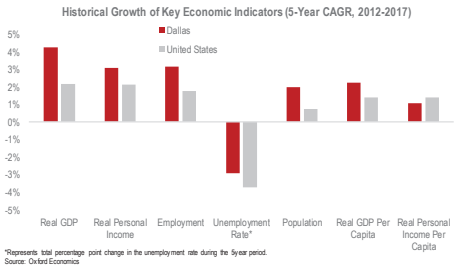
Atlanta (MSA rank: #10)
Mary's (corporate)
Duluth
Infinite Energy Center
Sugarloaf Mills
The Home of Peachtree Parkway
Sonoma
Crawford & Company HQ
SMF
Travelers Property Casualty
Pond & Co HQ
Hilton Atlanta Northeast
Gwinnett Place Mall
Singapore Entertainment
United Consulting Group HQ
Brook Run Park
Mallau Nordross
Liberator HQ
Central Perimeter Submarket
Doraville
Chamblee
Armond
Embry Hills
Downtown Atlanta
Legend
Subject Property
Shopping
Office
Attractions
Events Facility
2km

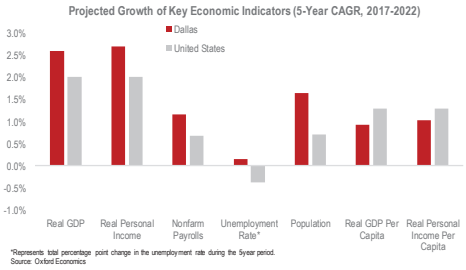
6.2 Dallas-Fort Worth-Arlington Metropolitan Statistical Area

The subject portfolio includes one hotel in the Dallas-Fort Worth-Arlington metropolitan statistical area, namely the 428-room Crowne Plaza Dallas Near Galleria.

6.2.1 Economic Overview

The Dallas-Fort Worth-Arlington metropolitan statistical area ("Dallas" or "Dallas metropolitan area") has achieved stronger economic growth, as measured by a range of economic indicators, than the United States from 2012 - 2017, and this trend is generally expected to continue during the next five years according to projections from Oxford Economics. From 2012 - 2017, real GDP growth averaged 4.3% per year compared to 2.2% for the U.S. While the metropolitan area experienced a 2.9-percentage-point decline in its unemployment rate compared to 3.7 percentage points for the U.S., the unemployment rate in Dallas of 3.6 percent as of 2017 remains noticeably lower than the national average of 4.4 percent. Both stronger population and productivity growth contributed to the Dallas metropolitan area's high real GDP growth rate. From 2017 - 2022, , high population growth is primarily expected to drive real GDP growth of 2.6% per year, compared to 2.0% per year for the U.S.





6.2.2 Industry Composition and Key Corporate Demand Drivers

The Dallas-Fort Worth-Arlington metropolitan statistical area features a relatively high share of employment in the Trade, Transportation & Utilities sector as well as in the Professional & Business Services sector. The metropolitan area has the largest population and gross domestic product in the South Central United States – and the fourth largest population and gross domestic product in the United States. Additionally, it features two commercial airports, including Dallas Love Field and the Dallas/Fort Worth International Airport, which ranks as the fourth busiest airport in the U.S. by passenger traffic. Given these strong economic advantages, the metropolitan area provides an attractive location for companies in the Trade, Transportation & Utilities and Professional & Business Services sectors; the Trade, Transportation & Utilities sector benefits from the region's strong transportation infrastructure, and the Professional & Business Services sector benefits from its large, economically productive population base. The table below summarizes the share of employment by sector in the Dallas-Fort Worth-Arlington metropolitan statistical area in comparison to the national average:

Share of Employment by Industry (2017)		
Sector	Dallas-Fort Worth-Arlington, TX	United States
Trade, Transportation & Utilities	21%	19%
Professional & Business Services	16%	14%
Education & Health Services	12%	16%
Government	12%	15%
Leisure & Hospitality	10%	11%
Financial Activities	8%	6%
Manufacturing	8%	8%
Natural Resources, Minining & Construction	6%	5%
Other Services	3%	4%
Information	2%	2%
Total	100%	100%

Source: U.S. Bureau of Labor Statistics, Moody's Analytics, JLL

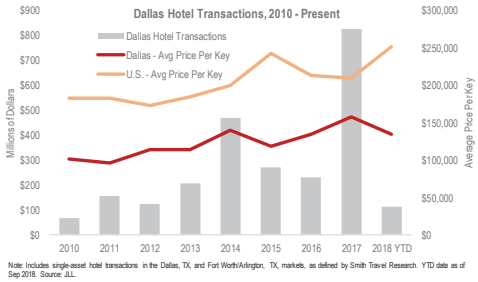
The Dallas-Fort Worth-Arlington metropolitan statistical area offers an attractive headquarters location for large companies based upon its excellent accessibility, favorable climate, business friendly environment, and relatively low cost of living. American Airlines and AT&T are headquartered in the area as a result, and many other large companies maintain a large corporate presence in the region as well. The largest companies in the Dallas-Fort Worth-Arlington metropolitan area are summarized in the following table:

Major Employers: Dallas-Fort Worth-Arlington, TX Metropolitan Statistical Area		
Rank	Employer	Employees
1	Wal-Mart Stores Inc.	34,000
2	AMR/American Airlines	25,000
3	AT&T	17,000
4	Baylor Scott & White Health	16,860
5	Bank of America Corp.	14,465
6	Lockheed Martin	13,690
7	Texas Instruments Inc.	13,000
8	JPMorgan Chase & Co.	12,600
9	Texas Health Resources	12,000
10	HCA North Texas Division	11,612
11	UT Southwestern Medical Center	10,000
12	NAS - Fort Worth - JRB	10,000
13	Arlington ISD	10,000
14	Southwest Airlines Co.	9,500
15	Target Brands Inc.	8,270
16	Verizon	8,100
17	Raytheon Co.	8,000
18	University of Texas at Arlington	7,311
19	JPS Health Network	6,500
20	Cook Children's Health Care System	6,042

Source: Oxford Economics, JLL

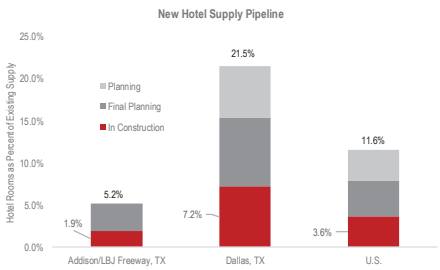
6.2.3 Hotel Investment Overview

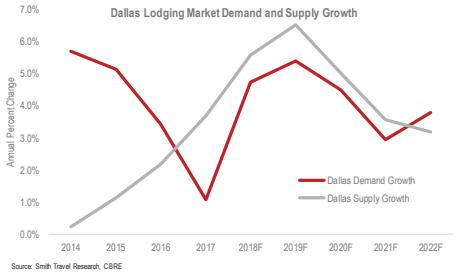
Hotel transactions totaling approximately $2.5 billion have occurred in the combined Dallas-Fort Worth-Arlington lodging market since 2010, making it among the fifteen most liquid lodging markets in the U.S. Hotel sales in the combined Dallas-Fort Worth-Arlington lodging market have generally trended higher in recent years with transactions reaching $824 million in 2017 as the metropolitan area's stellar economic growth trajectory has attracted increased investor interest. Surveying hotel transactions in the market since 2015, the Dallas-Fort Worth-Arlington lodging market's average capitalization rate amounts to 8.2%, compared to 7.4% for transactions nationwide, and its average sales price is approximately $143,000 per key, compared to $228,000 per key for the U.S.



6.2.4 Lodging Market Performance

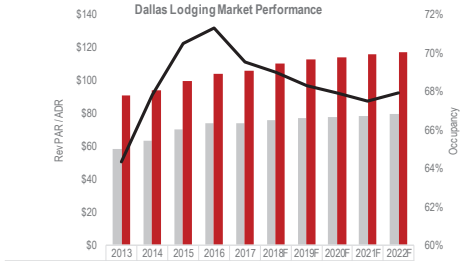
The active new supply pipeline for the Dallas lodging market, which includes hotel rooms in the planning, final planning, and construction stages, is significantly higher than the national average.[19] According to data compiled by Smith Travel Research, the pipeline for Dallas amounts to 21.5% of existing rooms inventory, compared to 11.6% for the U.S. The supply pipeline can vary significantly by submarket, however, and the submarket in which the subject portfolio's only Dallas area hotel is located, the Addison/LBJ Freeway submarket, features a noticeably smaller active pipeline, as shown in the first chart below. While strong economic growth is expected to continue to drive strong lodging demand growth in Dallas, supply growth eclipsed demand growth in 2017 and is expected to continue to outpace it during the next few years according to projections from CBRE. In the case of the Addison/LBJ Freeway submarket, however, we expect more balanced demand and supply growth given its relatively constrained pipeline.





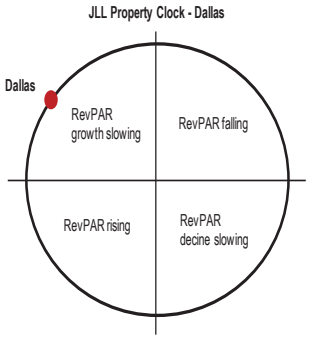
The Dallas lodging market realized average annual RevPAR growth between 2013 and 2017 of 6.1%, ranking 30th among 60 major U.S. lodging markets for which we have available data. Given the expectation that supply growth will outpace demand growth during the next few years, the market's occupancy is expected to decline slightly from approximately 69% in 2018 to 67.5% by 2021, while ADR growth is expected to moderate from 3.6% in 2018 to 2.5% in 2019 before falling to 1.3% in 2020 as the market's new supply is absorbed. RevPAR growth between 2017 and 2022 is expected to average 1.5% annually, ranking 39th among 60 major U.S. lodging markets according to projections from CBRE. The charts below summarize historical and projected RevPAR growth in Dallas as well as the market's position on JLL's Property Clock.

[19] We have focused on the supply pipeline for the Dallas lodging market, rather than the combined Dallas-Fort Worth-Arlington lodging market given its greater relevance with respect to the subject portfolio.



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$58	$64	$70	$74	$74	$76	$77	$77	$78	$80
RevPAR % Chg		9.1%	10.0%	5.8%	-0.3%	2.8%	1.4%	0.8%	0.8%	1.9%
ADR	$91	$94	$99	$104	$106	$110	$113	$114	$116	$117
Occcupancy	64.3%	67.8%	70.5%	71.3%	69.5%	69.0%	68.3%	67.9%	67.5%	67.9%

Source: Smith Travel Research, CBRE



6.2.5 Crowne Plaza Dallas Near Galleria Addison: Asset Overview and Market Positioning

The Crowne Plaza Dallas Near Galleria Addison is the only hotel in the subject portfolio that is located in the Dallas metropolitan area.

Location Description

The Subject Hotel is situated at 14315 Midway Road in the town of Addison, in Dallas County, Texas. The hotel is approximately 1.8 miles northwest of the intersection formed by Interstate 635 and the Dallas North Tollway. It is located south of Belt Line Road, along the west side of Midway Road, and north of Greenhill School on Spring Valley Road.

Access to the site is granted via Midway Road which runs north/south along the east perimeter of the site. The site is bordered by Proton Drive, followed by retail and residential to the North; Midway Road, followed by the Suzuki Music Institute of Dallas and offices to the East; offices and parking, followed by Hornet Road, offices, and Greenhill School to the South; and offices and parking, followed by residential to the West.

The Subject's location is considered good, given its immediate proximity to local schools, medical facilities, shopping, and sufficient corporate demand generators. The Subject Site is located 1.3 miles to the center of Addison, 1.5 miles to Galleria Dallas, and 11.7 miles north of Downtown Dallas.

Market Positioning

The Subject Hotel is located within the Addison/LBJ Freeway tract within the greater Dallas lodging market, according to STR. This tract is comprised of 12,117 rooms across a total of 75 hotels. Of the rooms supply, approximately 28.6% are within the upper upscale class, followed by 25.9% within the upscale class, and 24.0% within the economy class. The Subject Hotel is a full-service hotel that falls within the upscale class. In this submarket, the greatest room shares are attributed to Marriott International hotels, Hilton Worldwide hotels, Intercontinental Hotels Group hotels, Independent hotels, and Budget Suites of America hotels, respectively. The Subject belongs to the Intercontinental Hotels Group family of brands, which account for 9.7% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

The Subject Hotel realized an average annual decline in RevPAR of -0.8% between 2014 and 2018, primarily due to a significant decline in 2018, compared to average annual RevPAR growth of 0.2% for its competitive set. As a result, its RevPAR Index has declined from approximately 103% in 2014 to 99% in 2018.

Competitive Set Performance

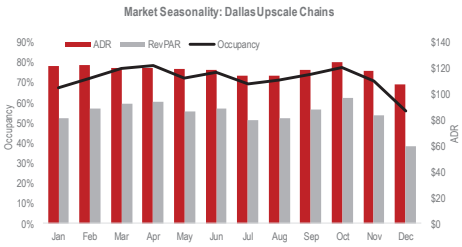
Occupancy	2014	2015	2016	2017	2018
Crowne Plaza Dallas Near Galleria Addison	66.8%	70.3%	71.8%	68.0%	61.0%
% Change		*5.3%*	*2.0%*	*-5.2%*	*-10.3%*
Competitive Set	64.2%	69.9%	70.6%	65.2%	59.4%
% Change		*8.8%*	*1.1%*	*-7.6%*	*-9.0%*
Index (MPI)	103.9	100.6	101.6	104.3	102.7
Average Daily Rate (USD)					
Crowne Plaza Dallas Near Galleria Addison	$89.88	$95.24	$98.15	$100.15	$95.26
% Change		*6.0%*	*3.1%*	*2.0%*	*-4.9%*
Competitive Set	$90.86	$95.40	$96.96	$96.25	$99.23
% Change		*5.0%*	*1.6%*	*-0.7%*	*3.1%*
Index (ARI)	98.9	99.8	101.2	104.1	96.0
RevPAR (USD)					
Crowne Plaza Dallas Near Galleria Addison	$60.00	$66.96	$70.42	$68.11	$58.11
% Change		*11.6%*	*5.2%*	*-3.3%*	*-14.7%*
Competitive Set	$58.36	$66.65	$68.47	$62.78	$58.93
% Change		*14.2%*	*2.7%*	*-8.3%*	*-6.1%*
Index (RGI)	102.8	100.5	102.9	108.5	98.6

Competitive set includes: Doubletree Hotel Dallas Near The Galleria (290 rooms), Courtyard Dallas Addison Midway (145 rooms), Sheraton Dallas Hotel By The Galleria (309 rooms), Renaissance Dallas Addison Hotel (528 rooms), Wyndham Garden Hotel Dallas North (350 rooms), Holiday Inn Express & Suites Dallas Addison (102 rooms), Radisson Hotel Dallas North Addison (101 rooms).

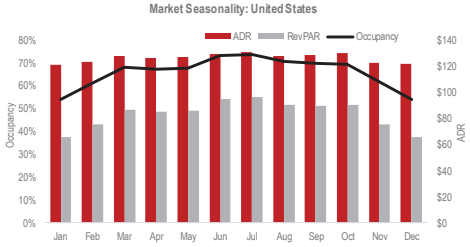
Source: Smith Travel Research

Demand Seasonality

We have estimated the seasonality of demand in the Subject Hotel's market based upon the performance of all upscale, branded hotels in the Dallas lodging market. As shown in the following charts, upscale, branded hotels in the Dallas lodging market are not subject to seasonal demand patterns that are significantly more pronounced than those generally experienced by hotels in the United States. Typically, RevPAR in the U.S. declines during the colder winter months, especially in December when the holidays result in a decline in business-related transient and group travel.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Airport Access

Dallas/Fort Worth International Airport is located approximately 12.1 miles west of the Subject Site. From the Subject, motorists would take Interstate 635 West 13.6 miles then continue onto International Parkway in Grapevine to reach the airport. The subject hotel is also served by Addison Airport, which is approximately 1.7 north of the subject site.

Regional/Local Access

Primary regional access is provided by Interstates 30, 35E, and 45, three major thoroughfares that run either directly through or into the city. Interstate 30 runs east through Greenville and west through Fort Worth. Interstate 35E runs north to Denton and south toward Hillsboro. Interstate 45 runs northward from Houston, terminating near Downtown Houston. Secondary roadways offer additional connectivity throughout the area. For instance, Interstate 20, which runs east/west along the southern edge of Dallas, and Interstate 635, which forms a partial loop connecting Interstate 20 to Grapevine/DFW International Airport via North Dallas. Several alternative routes, such as US Highways 67 (north/south), 75 (north/south), 80 (east/west), and 175 (north/south). and several Texas State Routes provide enhanced accessibility to and from Addison and the surrounding areas.

Public Transportation

The Dallas Area Rapid Transit ("DART") operates a robust system that offers light-rail, commuter rail, and buses. The light-rail covers more than 66 miles across four lines, providing connectivity among Dallas neighborhoods, as well as to the commuter rail. The commuter rail provides connectivity between Dallas and Fort Worth. The buses operate along 121 regular routes, including 50 routes that connect rail stations to areas of business.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

Crowne Plaza Dallas Near Galleria Addison	
Attraction	**Distance to Subject**
Cavanaugh Flight Museum	1.9 mi.
Galleria Dallas	1.6 mi.
Vitruvian Park	0.9 mi.
Addison Circle Park	1.4 mi.
Green Trail	3.3 mi.
Sandy Lake Amusement Park	5.1 mi.
Addison Improv	1.1 mi.
Bitter Sisters Brewery	0.8 mi.
Bosque Park	1.5 mi.
MidTown ARTwalk	2.3 mi.

Convention Center

The Kay Bailey Hutchison Convention Center is the primary convention facility for Dallas, Texas and is located approximately 12.0 miles south of the Subject Hotel. The complex is situated along the southern perimeter of downtown, immediately adjacent to Interstate 30. The center originally opened

in 1957, originally debuting as Dallas Memorial Auditorium before being expanded and renamed to Dallas Convention Center in the 1970's.

Since opening, the venue has undergone four expansions, with the last major addition reportedly completed in 2002. The convention center currently features 2.0 million square feet of space, including more than 1.0 million square feet of exhibition space. The largest exhibit space is roughly 727,000 square feet.

Alternatively, the Irving Convention Center in Irving, Texas is located 7.5 miles southwest of the Subject Hotel. The center was opened in 2011 and features a total of 100,000 square feet of exhibit space and a 19,000-square-foot ballroom.

Community/Infrastructure Development

Notable developments in Dallas include:

- In 2023, Downtown Dallas is expected to become the only city in the country with a high-speed rail station. The Texas Central Rail will connect Dallas-Fort Worth to Houston, traveling the distance in 90 minutes.
- In November 2016, a $1.05 billion bond program was approved to improve streets, upgrade traffic signals, expand pedestrian ways, repair bridges, and expand parks. Roughly $50 million will be spent on flood protection and drainage.
- In 2017, DFW Airport tentatively completed a $2.7 billion Terminal Renewal and Improvement Program ("TRIP") consisting of three renovated terminals. The fourth terminal renovation was delayed at the request of American Airlines and remains uncertain.
- In summer 2018, the "Mobility 2045" plan was approved by the Regional Transportation Council. The plan outlines $135.4 billion in projects, including new technology implementation, expanded highways, infrastructure maintenance, and extensions to passenger train and bus lines.
- Trinity Metro is currently constructing a commuter rail line that will provide access from Fort Worth communities to DFW International Airport via Tarrant County. The line is expected to open in January 2019 and cost $1.0 billion to construct.

SWOT Analysis

Strengths	Weaknesses
• Proximity to Galleria Mall and Addison Center • Location among nearby office complexes with 12 million sq. ft. of space and occupied by major tenants such as Mary Kay and Bank of America • Two convention centers within twelve miles including the Kay Bailey Hutchison Convention Center which is the primary convention centre facility for Dallas • Newly renovated (2017) DFW Airport is roughly twelve miles west, which is the fourth busiest airport in the U.S. by passenger traffic • Notable suburban social destination with mix of cultural attractions, retail, restaurants and bars and numerous outdoor festivals	• Distance from downtown Dallas • Location does not offer direct routes via Public Transit to Dallas attractions or DFW airport

Opportunities	Threats
• Mobility 2045 to increase connectivity in the region via buses and passenger trains	• Supply growth in the market may impact RevPAR growth potential to some extent

Map of Local Market Highlights

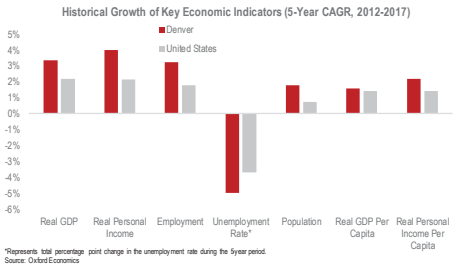
In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The Addison/LBJ Freeway submarket in which the Subject Hotel is located is primarily known for the large concentration of office developments and company headquarters in the area located near the intersection of the LBJ Freeway (Interstate 635) with the Dallas North Tollway. It is also the site of large retail shopping developments that serve the surrounding suburban residential communities, the most notable of which is the Dallas Galleria, which contains approximately 200 retail and dining establishments. The location of notable company offices and retail developments in the area have been shown on the following map as well.

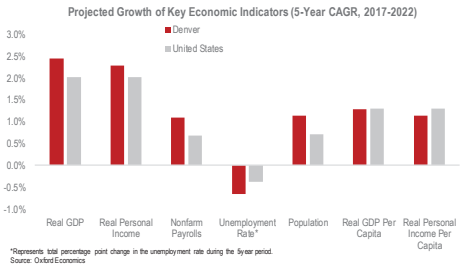
6.3 Denver-Aurora-Lakewood Metropolitan Statistical Area

The subject portfolio includes three hotels in the Denver-Aurora-Lakewood metropolitan statistical area, namely the 399-room Renaissance Denver Stapleton Hotel, the 300-room Holiday Inn Denver East Stapleton, and the 262-room Sheraton Denver Tech Center.

6.3.1 Economic Overview

The Denver-Aurora-Lakewood metropolitan statistical area ("Denver" or "Denver metropolitan area") has achieved stronger economic growth, as measured by a range of economic indicators, than the United States from 2012 - 2017, and this trend is generally expected to continue during the next five years according to projections from Oxford Economics. From 2012 - 2017, real GDP growth averaged 3.4% per year compared to 2.2% for the U.S. and the unemployment rate declined 5.0 percentage points compared to 3.7 percentage points for the U.S. Both stronger population and productivity growth contributed to Denver's high real GDP growth rate. From 2017 - 2022, high population growth is primarily expected to drive real GDP growth of 2.4% per year, compared to 2.0% per year for the U.S.





6.3.2 Industry Composition and Key Corporate Demand Drivers

The Denver-Aurora-Lakewood metropolitan statistical area's largest sectors in terms of total employment are the Trade, Transportation & Utilities and Professional & Business Services sectors. While the metropolitan area's population and gross domestic product rank 19th and 20th in the nation, respectively, its economy is the largest in the Rocky Mountains and western Great Plains regions of the United States, which occupy a large swath of the western United States. Additionally, Denver International Airport ranks as the fifth busiest in the United States given its relatively central geographic location in the country, world-class facilities, and status as a hub location for several major airlines. Given the large size of its economy relative to the surrounding region and its excellent transportation, the Denver-Aurora-Lakewood metropolitan area's Trade, Transportation & Utilities and Professional & Business Services sectors are positioned to thrive. The table below summarizes the share of employment by sector in the Denver-Aurora-Lakewood metropolitan statistical area in comparison to the national average:

Share of Employment by Industry (2017)		
Sector	Denver-Aurora-Lakewood, CO	United States
Trade, Transportation & Utilities	18%	19%
Professional & Business Services	18%	14%
Government	14%	15%
Education & Health Services	13%	16%
Leisure & Hospitality	11%	11%
Financial Activities	7%	6%
Natural Resources, Minining & Construction	7%	5%
Manufacturing	5%	8%
Other Services	4%	4%
Information	3%	2%
Total	100%	100%

Source: U.S. Bureau of Labor Statistics, Moody's Analytics, JLL

The largest employers in the Denver area include a diverse mix of companies. Health and educational institutions, including HealthONE, University of Colorado Hospital, and University of Denver, rank among the region's largest employers, along with several airlines, including United Airlines, Frontier Airlines, and Southwest Airlines. The largest companies in the Denver-Aurora-Lakewood metropolitan statistical area are summarized in the following table:

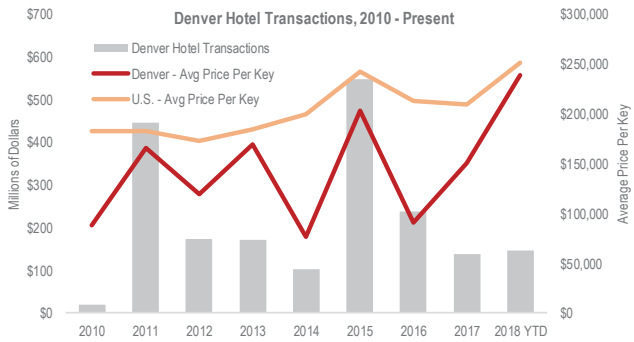
Major Employers: Denver-Aurora-Lakewood, CO Metropolitan Statistical Area		
Rank	Employer	Employees
1	HealthONE	8,880
2	University of Colorado Hospital	7,110
3	Lockheed Martin Corp.	6,250
4	Centura Health	5,900
5	United Airlines Inc.	5,700
6	Children's Hospital	5,670
7	Kaiser Permanente	5,340
8	Denver Health	5,210
9	CenturyLink	5,100
10	Banner Health	4,570
11	Comcast	4,540
12	University of Denver	4,140
13	Charles Schwab & Co. Inc.	3,700
14	Frontier Airlines	3,430
15	Southwest Airlines Co.	3,110
16	GlobalFoundries	2,800
17	Xcel Energy Inc.	2,690
18	Great-West Financial	2,680
19	United Parcel Service Inc.	2,630
20	Dish Network LLC	2,620

Source: Metro Denver EDC, 2017

6.3.3 Hotel Investment Overview

Hotel transactions totaling approximately $2.0 billion have occurred in the Denver lodging market since 2010, making it among the twenty most liquid lodging markets in the U.S. Hotel sales in the Denver lodging market have been relatively steady at approximately $200 million per year in recent years, though they spiked to nearly $450 million in 2011 and nearly $550 million in 2015. Surveying hotel transactions in the market since 2015, Denver's average capitalization rate amounts to 8.9%, compared to 7.4% for transactions nationwide, and its average sales price is approximately $156,000 per key, compared to $228,000 per key for the U.S. Most recently, however, the market's average price per key for year-to-date transactions through September 2018 rose significantly to $239,000 per key, bringing it close to the national average of $251,000 per key for the same period. Additionally, we note that there have been relatively few transactions for which cap rate data are available in Denver during recent

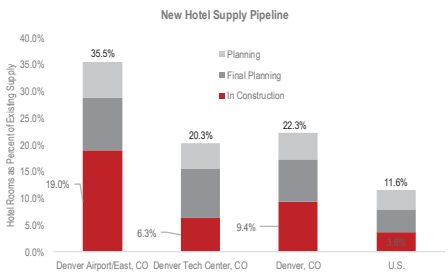
years, and therefore, the average cap rate for these transactions may not be representative of investor expectations for most assets in the market.

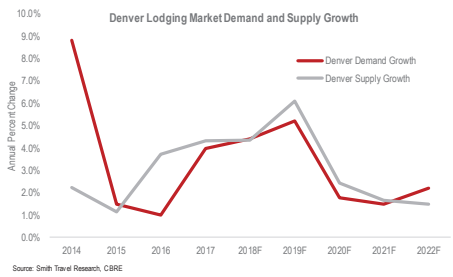


Note: Includes single-asset hotel transactions in the Denver, CO, market, as defined by Smith Travel Research. YTD data as of Sep 2018. Source: JLL.

6.3.4 Lodging Market Performance

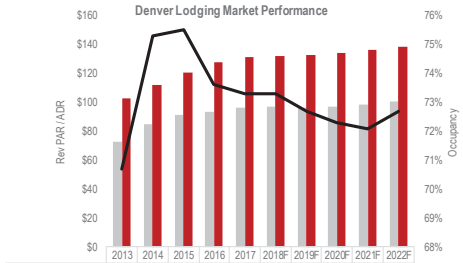
The active new supply pipeline for the Denver lodging market, which includes hotel rooms in the planning, final planning, and construction stages, is significantly higher than the national average. According to data compiled by Smith Travel Research, the Denver lodging market's pipeline amounts to 22.3% of existing rooms inventory, compared to 11.6% for the U.S. The Denver Airport/East submarket, which contains two of the subject portfolio's three Denver area hotels, features an even larger pipeline mainly due to the construction of the 1,500-room Gaylord Rockies Hotel & Conference Center, while the Denver Tech Center submarket, which contains the subject portfolio's remaining Denver area hotel, has a supply pipeline that is in line with the broader market. Although Denver's supply pipeline is elevated, a substantial proportion of the new hotel openings are scheduled for 2018 and 2019 and supply growth is expected to abate thereafter. Additionally, the Gaylord Rockies Hotel & Conference Center, is expected to induce significant new demand, softening the impact on area hotels. Therefore, supply and demand growth are expected to remain balanced in Denver during the next few years according to projections from CBRE. We expect that this trend will apply to Denver Airport/East and Denver Tech Center submarkets as well given that their pipelines are similarly sized relative to the broader market after excluding the impact of the Gaylord Rockies.





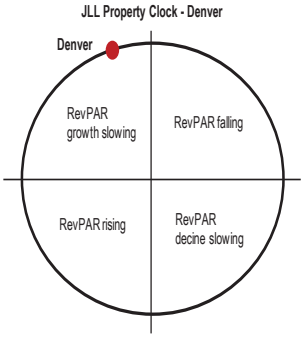
The Denver lodging market realized average annual RevPAR growth between 2013 and 2017 of 7.2%, ranking 18th among 60 major U.S. lodging markets for which we have available data. The market has endured relatively high supply growth for several years, resulting in a decline in occupancy from 75.5% in 2015 to approximately 73% in 2017 with a further decline to about 72% projected by 2021. At the

same time, ADR growth in the market has decelerated significantly, declining from 9.1% in 2014 to 3.0% in 2017, and ADR growth is expected to continue to decelerate to 0.6% in 2018 before falling into negative territory with an ADR decline of 0.4% in 2019 when supply growth peaks. As a result, RevPAR growth between 2017 and 2022 is expected to average 0.9% annually, ranking 52nd among 60 major U.S. lodging markets according to projections from CBRE. The charts below summarize historical and projected RevPAR growth in the Denver market as well as Denver's position on JLL's Property Clock.



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$73	$85	$91	$94	$96	$97	$97	$97	$98	$101
RevPAR % Chg		16.1%	8.0%	2.7%	2.7%	0.6%	-0.4%	0.4%	1.3%	2.6%
ADR	$103	$112	$121	$127	$131	$132	$133	$134	$136	$139
Occupancy	70.7%	75.3%	75.5%	73.6%	73.3%	73.3%	72.7%	72.3%	72.1%	72.7%

Source: Smith Travel Research, CBRE



6.3.5 Holiday Inn Denver East - Stapleton: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of the Holiday Inn Denver East - Stapleton ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. The Holiday Inn Denver East - Stapleton is among three hotels in the subject portfolio that are located in the Denver metropolitan area.

Location Description

The Subject Hotel is situated at 3333 Quebec Street in the City of Denver, in Denver County, Colorado. The hotel is approximately 0.9 mile directly south of the intersection formed by Interstate 70 and Quebec Street/Northfield Quebec Street. It is located along the western side of Quebec Street, between East 33rd and East 35th Avenues in northwest Stapleton.

Access to the site is granted via Quebec Street which runs north/south along the east perimeter of the site. Additional access is available via Poplar Street or East 33rd Avenue, located along the west and south perimeters of the property. The site is bordered by an office building to the North; Quebec Street to the East; East 33rd Avenue to the South; and Poplar Street to the West.

The Subject's location is considered very good, given its immediate proximity to the Colorado Science and Technology Park, as well as sufficient university, medical, and airline demand generators. The Subject Site is located approximately 5.0 miles east of Downtown Denver.

Market Positioning

The Subject Hotel is located within the Denver Airport/East tract within the greater Denver lodging market, according to STR. This tract is comprised of 14,138 rooms across a total of 105 hotels. Of the rooms supply, approximately 29.0% are within the upscale class, followed by 23.2% within the upper midscale class, and 20.4% within the economy class. The Subject Hotel falls within the upper midscale

class. In this submarket, the greatest room shares are attributed to Marriott International hotels, Hilton Worldwide hotels, Choice Hotels International hotels, Intercontinental Hotels Group hotels, and Independent hotels, respectively. The Subject belongs to the Intercontinental Hotels Group family of brands, which account for 10.4% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

In the table below, we have summarized the historical Occupancy, ADR, and RevPAR performance of the Subject Hotel relative to its competitive set. The Subject Hotel realized average annual RevPAR growth of 4.0% between 2013 and 2018. The Subject Hotel's competitive set realized average annual RevPAR growth of 9.4% during this time, resulting in a decline in the Subject Hotel's RevPAR Index from approximately 112% in 2013 to 87% in 2018.

Competitive Set Performance

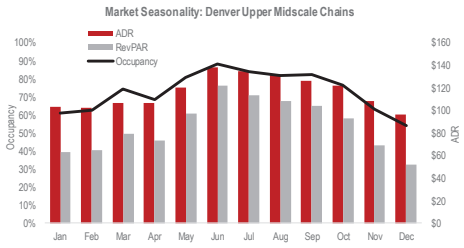
Occupancy	2012	2013	2014	2015	2016	2017	2018
Holiday Inn Denver East Stapleton	67.6%	70.8%	80.8%	82.4%	73.7%	53.4%	67.3%
% Change		*4.8%*	*14.1%*	*2.0%*	*-10.6%*	*-27.6%*	*26.0%*
Competitive Set		66.9%	69.5%	71.0%	72.2%	67.9%	73.0%
% Change			*3.8%*	*2.3%*	*1.7%*	*-6.1%*	*7.6%*
Index (MPI)		105.8	116.3	116.0	102.0	78.7	92.2
Average Daily Rate (USD)							
Holiday Inn Denver East Stapleton	$77.00	$79.83	$86.61	$94.64	$103.56	$102.66	$102.09
% Change		*3.7%*	*8.5%*	*9.3%*	*9.4%*	*-0.9%*	*-0.5%*
Competitive Set		$75.63	$88.58	$97.65	$102.08	$109.57	$108.78
% Change			*17.1%*	*10.2%*	*4.5%*	*7.3%*	*-0.7%*
Index (ARI)		105.5	97.8	96.9	101.5	93.7	93.9
RevPAR (USD)							
Holiday Inn Denver East Stapleton	$52.05	$56.53	$69.96	$77.99	$76.33	$54.81	$68.68
% Change		*8.6%*	*23.8%*	*11.5%*	*-2.1%*	*-28.2%*	*25.3%*
Competitive Set		$50.61	$61.54	$69.37	$73.75	$74.35	$79.39
% Change			*21.6%*	*12.7%*	*6.3%*	*0.8%*	*6.8%*
Index (RGI)		111.7	113.7	112.4	103.5	73.7	86.5

Competitive set includes: Radisson Hotel Denver Central (220 rooms), DoubleTree Denver Stapleton North (300 rooms), Courtyard Denver Stapleton (146 rooms), Quality Inn & Suites Denver Stapleton (139 rooms), Drury Inn & Suites Denver Stapleton (180 rooms).

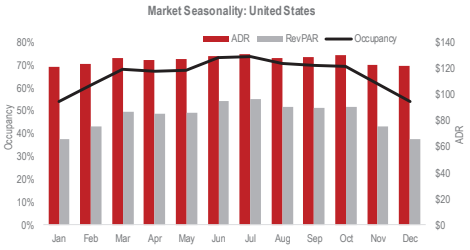
Source: Smith Travel Research

Demand Seasonality

We have estimated the seasonality of demand in the Subject Hotel's market based upon the performance of all upper midscale, branded hotels in the Denver lodging market. As shown in the following charts, upper midscale, branded hotels in the Denver lodging market are subject to seasonal demand patterns that are moderately more pronounced than those generally experienced by hotels in the United States. Denver can experience relatively cold temperatures and inclement weather during the winter months given its proximity to the Rocky Mountains, and consequently, its RevPAR declines more significantly during the winter months than the average U.S. hotel.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Airport Access

Denver International Airport is located approximately 13.2 miles northeast of the Subject Site. From the Subject, motorists would take Interstate 70 East, traveling 1.2 miles to Peña Boulevard, then another 16.4 miles northward to the airport.

Regional/Local Access

Primary regional access is provided by Interstates 25, 70, and 76, three major thoroughfares that run directly through or into the city of Denver, Colorado. Interstate 25 runs north through Fort Collins and Cheyenne, Wyoming and south through Colorado Springs. Interstate 70 runs east through the State of Kansas and west through Grand Junction before entering Utah. Interstate 76 runs directly through the northeast portion of the State of Colorado from its terminus near the northwest corner of Denver. Secondary roadways offer additional connectivity throughout the area. For instance, US Routes 6 (east/west), 36 (east/west), 85 (north/south), 287 (northwest/southeast), and several Colorado State Highways provide enhanced accessibility to and from Denver and the surrounding areas.

Public Transportation

The Regional Transport District ("RTD") operates a robust system that offers buses and light rail trains. RTD buses offer access to eight counties in the Denver metro area, servicing more than 9,000 bus stops. The RTD light rail services the City of Denver, extending 86.5 miles across nine rail lines. FasTracks is a current initiative to expand existing transportation services and add commuter rail service. As of 2018, a significant portion of the project had been completed, including the West, East, and Northwest Rail Lines. The East Rail Line provides access to Denver International Airport. In 2017 and 2018, the R Line through Aurora and the North Metro Line to Thornton were opened. Denver also offers a free MetroRide, providing service to and from Downtown Denver destinations.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

Holiday Inn Denver East - Stapleton	
Attraction	**Distance to Subject**
Central Park Stapleton	0.7 Mi.
The Urban Farm	1.7 Mi.
Denver Zoo	2.6 Mi.
Denver Museum of Nature and Science	3.6 Mi.
Dicks Sporting Goods Park	3.6 Mi.
Denver Botanic Gardens	3.8 Mi.
Rocky Mountain Arsenal	3.8 Mi.
Four Mile Historic Park	4.4 Mi.
Hammond's Candies Factory	4.7 Mi.
Coors Field	4.7 mi.
Washington Park	5.6 Mi.
Downtown Acquarium	5.8 Mi.

Convention Center

The Colorado Convention Center, which is located 5 miles from the Subject Hotel, is situated immediately north of US Highway 40/287 and east of Speer Boulevard in Downtown Denver, Colorado. The center originally opened in June of 1990, debuting a total of 800,000 square feet of event space at an original construction cost of $7 million.

Since opening, the venue has undergone only one expansion, with the last update completed in 2004 at a cost of $340 million. The convention center currently features a total of 2.2 million square feet of space, including 584,000 square feet of exhibit space, 100,000 square feet of meeting rooms, a nearly 95,000-square-foot ballroom, and the 5,000-seat Wells Fargo Theatre. The convention center is slated for further expansion, beginning at the end of 2018. The expansion will cost an estimated $233 million and will introduce an additional 85,000 square feet of flexible meeting and ballroom space, as well as 100,000 square feet of pre-function space in 2020.

Community/Infrastructure Development

Notable developments in the Greater Denver area include:

- In late 2017, Denver Transportation received $430 million in funding to address deferred maintenance and repave roads. Additionally, the funds are expected to address the construction of sidewalks and new bike and pedestrian bridges.
- In mid-2017, the US Department of Transportation provided $2.25 million in grants for infrastructure improvements to Denver International Airport. In 2016, DIA received $7.54 million. The latest grants are expected to fund the rehabilitation of an existing taxiway.
- In 2018, DIA broke ground on a $1.5 billion gate expansion project that will add an additional 39 gates over the next three years. Additionally, a separate $1.8 billion deal includes a complete terminal renovation that will consolidate ticket areas, move security screening, and construct new concessions.
- FasTracks is RTD's $7.4 billion expansion of Metro Denver's mass transit system. The project will add 122 miles of rail and extend the regional bus network upon completion. As of 2018, the

G Line remains to be fully constructed and is planned to extend RTD service through northwest Denver.

- Up to 50 transit-related developments are planned or underway along eight different rail lines stemming from downtown Denver.

SWOT Analysis

Strengths	Weaknesses
• Direct proximity to the Colorado Science and Technology Park • Connectivity to nearby interstates via I-70 • Visibility within neighborhood • Full service amenities in a submarket where the bulk of hotels are of a select service positioning • Accessibility to roadways and airport • Access to FasTracks A-Line within 1.0 miles • Proximity to Johnson and Wales university campus	• Given the airport submarket location, hotel is not proximate to Denver's top leisure attractions
Opportunities	**Threats**
• Airport expansion and renovation, Denver International Airport is the fifth busiest in the U.S. • Location within a quickly growing, young neighborhood development • Proximity to United pilot training facilities • Corporate contracts as area business base continues to grow	• Potential impact from hotel supply pipelines for DIA and Downtown

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The Denver Airport/East submarket in which the Subject Hotel is located is primarily known for its proximity to Denver International Airport, the 5th busiest airport by passenger traffic in the United States, as well as its proximity to the Anschutz Medical Campus. The Stapleton neighborhood in which the Subject Hotel is located was formerly the site of Denver's Stapleton International Airport, which was converted into mixed-use and residential neighborhoods following its closure and the opening of the city's new airport in 1995.

Denver (MSA rank: #20)
Rocky Mountain Arsenal
Dick's Sporting Goods Park
United Airlines
Flight Training Center
Central Park Stapleton
Denver Zoo
Coors Field
Mile High
Stadium
Denver Museum
of Nature
and Science
UC Health University of
Colorado Hospital
Children's Hospital Colorado
Anschutz Medical Campus
Four Mile
Historic Park
Denver Botanic Gardens
Colorado Convention Center
Denver International Airport
Legend
Subject Property
Office
Attractions
Events Facility
Airport
Zoom

6.3.6 Renaissance Denver Stapleton: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of the Renaissance Denver Stapleton Hotel ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. Since the Renaissance Denver Stapleton is located less than 0.5 miles from the Holiday Inn Denver East Stapleton, they benefit from demand generated by the same convention center, airport, and regional transportation and infrastructure initiatives. Accordingly, we refer to Section 6.3.4 for a description of these demand generators in an effort to avoid duplication. The Renaissance Denver Stapleton Hotel is among three hotels in the subject portfolio that are located in the Denver metropolitan area.

Location Description

The Subject Hotel is situated at 3801 Quebec Street in the City of Denver, in Denver County, Colorado. The hotel is approximately 0.6 mile directly south of the intersection formed by Interstate 70 and Quebec Street/Northfield Quebec Street. It is located along the western side of Quebec Street, between East 38th and East 39th Avenues in northwest Stapleton.

Access to the site is granted via Quebec Street which runs north/south along the east perimeter of the site. The site is bordered by a parking garage and East 39th Avenue to the North; Quebec Street to the East; East 38th Avenue to the South; and Poplar Street to the West.

The Subject's location is considered very good, given its immediate proximity to the Colorado Science and Technology Park, as well as sufficient university, medical, and airline demand generators. The Subject Site is located approximately 5.0 miles east of Downtown Denver.

Market Positioning

The Subject Hotel is located within the Denver Airport/East tract within the greater Denver lodging market, according to STR. This tract is comprised of 14,138 rooms across a total of 105 hotels. Of the rooms supply, approximately 29.0% are within the upscale class, followed by 23.2% within the upper midscale class, and 20.4% within the economy class. The Subject Hotel falls within the upper upscale class which comprises 16.2% of the submarket. In this submarket, the greatest room shares are attributed to Marriott International hotels, Hilton Worldwide hotels, Choice Hotels International hotels, Intercontinental Hotels Group hotels, and Independent hotels, respectively. The Subject belongs to the Marriott International family of brands, which account for 21.3% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

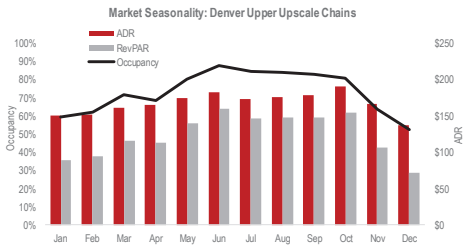
In the table below, we have summarized the historical Occupancy, ADR, and RevPAR performance of the Subject Hotel relative to its competitive set. The Subject Hotel realized average annual RevPAR growth of 4.2% between 2012 and 2018, and the Subject Hotel's competitive set realized average annual RevPAR growth of 5.0% during this time, resulting in a decline in the Subject Hotel's RevPAR Index from approximately 115% in 2012 to 110% in 2018.

Competitive Set Performance							
Occupancy	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Renaissance Denver Stapleton Hotel	69.5%	75.5%	84.6%	86.2%	78.3%	59.6%	75.1%
% Change		*8.6%*	*12.0%*	*1.9%*	*-9.1%*	*-23.8%*	*26.0%*
Competitive Set	72.0%	75.2%	82.8%	84.0%	80.3%	74.3%	72.9%
% Change		*4.4%*	*10.1%*	*1.5%*	*-4.4%*	*-7.5%*	*-1.8%*
Index (MPI)	96.6	100.5	102.2	102.6	97.5	80.3	103.1
Average Daily Rate (USD)							
Renaissance Denver Stapleton Hotel	$108.20	$109.91	$112.35	$114.31	$120.12	$125.24	$128.03
% Change		*1.6%*	*2.2%*	*1.7%*	*5.1%*	*4.3%*	*2.2%*
Competitive Set	$90.59	$91.65	$98.85	$105.03	$115.31	$118.36	$119.74
% Change		*1.2%*	*7.9%*	*6.2%*	*9.8%*	*2.6%*	*1.2%*
Index (ARI)	119.4	119.9	113.6	108.8	104.2	105.8	106.9
RevPAR (USD)							
Renaissance Denver Stapleton Hotel	$75.21	$83.01	$95.03	$98.48	$94.03	$74.67	$96.17
% Change		*10.4%*	*14.5%*	*3.6%*	*-4.5%*	*-20.6%*	*28.8%*
Competitive Set	$65.20	$68.89	$81.84	$88.22	$92.56	$87.89	$87.28
% Change		*5.6%*	*18.8%*	*7.8%*	*4.9%*	*-5.1%*	*-0.7%*
Index (RGI)	115.3	120.5	116.1	111.6	101.6	85.0	110.2

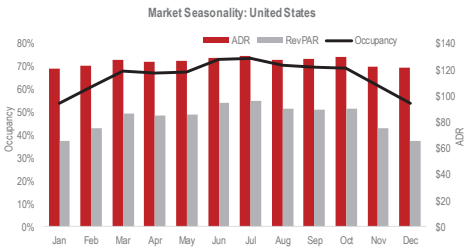
Competitive set includes: Crowne Plaza Denver Airport Convention Center (255 rooms), Doubletree Denver (561 rooms), Embassy Suites Denver Stapleton (210 rooms), Holiday Inn Denver East Stapleton (298 rooms).
Source: Smith Travel Research

Demand Seasonality

As shown in the following charts, upper upscale, branded hotels in the Denver lodging market are subject to seasonal demand patterns that are moderately more pronounced than those generally experienced by hotels in the United States. Denver can experience relatively cold temperatures and inclement weather during the winter months given its proximity to the Rocky Mountains, and consequently, its RevPAR declines more significantly during the winter months than the average U.S. hotel.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

Renaissance Denver Stapleton Hotel	
Attraction	**Distance to Subject**
Denver Botanic Gardens	4.0 mi.
Washington Park	5.9 mi.
Denver Zoo	2.7 mi.
Rocky Mountain Arsenal	3.4 mi.
Hammond's Candies Factory	4.5 mi.
The Urban Farm	1.7 mi.
Four Mile Historic Park	4.8 mi.
Central Park Stapleton	1.0 mi.
Downtown Aquarium	6.0 mi.
Coors Field	4.9 mi.

SWOT Analysis

Please cross-reference the comments with the above Holiday Inn Denver property too

Strengths	Weaknesses
• Large amount of meeting space • Visibility within neighborhood • Full service amenities • Accessibility to roadways and airport • FasTracks A-Line within 1.0 miles • Proximate to Johnson and Wales University • Denver's business friendly environment and proximity to outdoor activities has made it a popular destination for leisure travelers as well as corporate relocations • Access to I-70 and light rail •	• Lack of immediate proximity to most popular demand generators in the Denver CBD, such as the Colorado Convention Center and sports stadiums
Opportunities	**Threats**
• Airport expansion and renovation • Location within a quickly growing, young neighborhood development • Proximate to United pilot training facilities • Corporate contracts as area business base continues to grow	• Impacted by hotel supply pipelines for DIA and Downtown

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The Denver Airport/East submarket in which the Subject Hotel is located is primarily known for its proximity to Denver International Airport, the 5th busiest airport by passenger traffic in the United States, as well as its proximity to the Anschutz Medical Campus. The Stapleton neighborhood in which the Subject Hotel is located was formerly the site of Denver's Stapleton International Airport, which was converted into mixed-use and residential neighborhoods following its closure and the opening of the city's new airport in 1995.

Denver International Airport
Rocky Mountain Arsenal
Coors Field
Legend

6.3.7 Sheraton Denver Tech Center: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of the Sheraton Denver Tech Center ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. Since the Sheraton Denver Tech Center is expected to benefit from the same regional infrastructure initiatives and the same convention center as the Renaissance Denver Stapleton and the Holiday Inn Denver East - Stapleton, we refer to Section 6.3.4 for a summary of these demand generators in an effort to avoid duplication. The Sheraton Denver Tech Center is among three hotels in the subject portfolio that are located in the Denver metropolitan area.

Location Description

The Subject Hotel is situated at 7007 South Clinton Street in the City of Greenwood Village, in Arapahoe County, Colorado. The hotel is approximately 3.5 miles southeast of the T-intersection formed by Interstates 25 and 225. It is located adjacent to Interstate 25, 0.4 miles south of East Arapahoe Road along the west side of South Clinton Street.

Access to the site is granted via South Clinton Street which runs north/south along the east perimeter of the site. The site is bordered by Hyatt House to the North; South Clinton Street, followed by Roof Depot and a commercial building to the East; La Quinta Inn & Suites and IHOP to the South; and Interstate 25 and a parking lot to the West.

The Subject's location is considered very good, given its immediate proximity to major class-A office complexes, business parks, and mixed-use developments; Interstate 25; and sufficient leisure and corporate demand generators. The Subject Site is located 12.3 miles southeast of Downtown Denver and 2.3 miles south southeast of Denver Tech Center, along Interstate 25 in Greenwood Village.

Market Positioning

The Subject Hotel is located within the Denver Tech Center tract within the greater Denver lodging market, according to STR. This tract is comprised of 6,413 rooms across a total of 43 hotels. Of the rooms supply, approximately 29.0% are within the upper upscale class, followed by 26.4% within the upscale class, and 16.1% within the economy class. The Subject Hotel falls within the upper upscale class. In this submarket, the greatest room shares are attributed to Marriott International, Hilton Worldwide, Hyatt, Extended Stay Hotels, and Intercontinental Hotels Group, respectively. The Subject belongs to the Marriott International family of brands, which account for 25.3% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

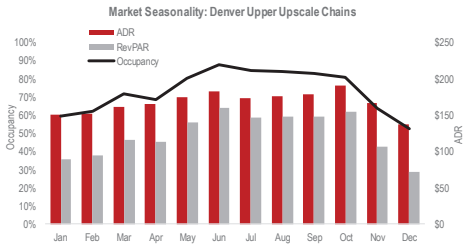
In the table below, we have summarized the historical Occupancy, ADR, and RevPAR performance of the Subject Hotel relative to its competitive set. The Subject Hotel realized average annual RevPAR growth of 7.3% between 2012 and 2018, compared to 2.4% for its competitive set. As a result, its RevPAR Index has improved from approximately 68% in 2012 to 91% in 2018.

Competitive Set Performance							
Occupancy	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Sheraton Hotel Denver Tech Center	55.4%	61.3%	64.9%	71.6%	72.8%	72.2%	69.1%
% Change		*10.6%*	*5.8%*	*10.4%*	*1.7%*	*-0.9%*	*-4.2%*
Competitive Set	67.4%	70.1%	70.1%	70.1%	68.7%	63.7%	67.8%
% Change		*4.0%*	*0.0%*	*0.1%*	*-2.1%*	*-7.2%*	*6.4%*
Index (MPI)	82.3	87.4	92.6	102.1	106.0	113.3	102.0
Average Daily Rate (USD)							
Sheraton Hotel Denver Tech Center	$95.50	$104.65	$113.77	$112.94	$118.41	$117.57	$117.16
% Change		*9.6%*	*8.7%*	*-0.7%*	*4.8%*	*-0.7%*	*-0.3%*
Competitive Set	$115.05	$122.06	$120.70	$123.55	$129.01	$132.43	$131.68
% Change		*6.1%*	*-1.1%*	*2.4%*	*4.4%*	*2.7%*	*-0.6%*
Index (ARI)	83.0	85.7	94.3	91.4	91.8	88.8	89.0
RevPAR (USD)							
Sheraton Hotel Denver Tech Center	$52.94	$64.13	$73.80	$80.88	$86.23	$84.84	$81.00
% Change		*21.1%*	*15.1%*	*9.6%*	*6.6%*	*-1.6%*	*-4.5%*
Competitive Set	$77.53	$85.55	$84.58	$86.65	$88.60	$84.38	$89.24
% Change		*10.3%*	*-1.1%*	*2.4%*	*2.3%*	*-4.8%*	*5.8%*
Index (RGI)	68.3	75.0	87.3	93.3	97.3	100.5	90.8

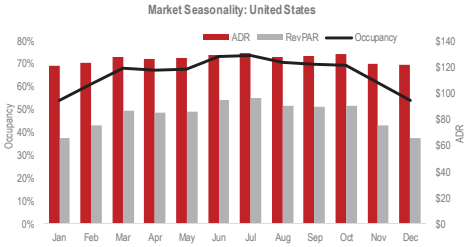
Competitive set includes: DoubleTree Denver Aurora (250 rooms), Embassy Suites Denver Tech Center (236 rooms), Marriott Denver South @ Park Meadows (279 rooms), element Denver Park Meadows (123 rooms), Radisson Hotel Denver Aurora (287 rooms).
Source: Smith Travel Research

Demand Seasonality

We have estimated the seasonality of demand in the Subject Hotel's market based upon the performance of all upper upscale, branded hotels in the Denver lodging market. As shown in the following charts, upper upscale, branded hotels in the Denver lodging market are subject to seasonal demand patterns that are moderately more pronounced than those generally experienced by hotels in the United States. Denver can experience relatively cold temperatures and inclement weather during the winter months given its proximity to the Rocky Mountains, and consequently, its RevPAR declines more significantly during the winter months than the average U.S. hotel.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Airport Access

Denver International Airport is located approximately 21.5 miles northeast of the Subject Site. From the Subject, motorists would take Interstate 25 North to Interstate 225 North, driving 12.2 miles before continuing onto Peña Boulevard for 11.6 miles toward the airport. The significantly smaller Centennial Airport is located 2.1 miles southeast of the Subject Hotel.

Regional/Local Access

Primary regional access through the Denver, Colorado area is provided by Interstates 25, 70, and 76, three major thoroughfares that run directly through or into the city. Interstate 25 runs north through

Fort Collins and Cheyenne, Wyoming and south through Centennial toward Colorado Springs. Interstate 70 runs along the northern edge of Denver, east through the State of Kansas and west through Grand Junction before entering Utah. Interstate 76 runs directly through the northeast portion of the State of Colorado from its terminus near the northwest corner of Denver. Secondary roadways offer additional connectivity throughout the area. For instance, Interstate 225 serves as a connector between Interstate 25 and 70, largely circumventing Denver to the east and traversing parts of Greenwood Village and Aurora, Colorado. US Routes 6 (east/west), 36 (east/west), 85 (north/south), 285 (extends south from Englewood), 287 (northwest/southeast), and several Colorado State Highways provide enhanced accessibility to and from Greenwood Village, Denver, and the surrounding areas.

Public Transportation

The Regional Transport District ("RTD") operates a robust system that offers buses and light rail trains. RTD buses offer access to eight counties in the Denver metro area, servicing more than 9,000 bus stops. The RTD light rail services the City of Denver, extending 86.5 miles across nine rail lines. The Southeast Light Rail Line serves Greenwood Village. FasTracks is a current initiative to expand existing transportation services and add commuter rail service. As of 2018, a significant portion of the project had been completed, including the West, East, and Northwest Rail Lines. The East Rail Line provides access to Denver International Airport. In 2017 and 2018, the R Line through Aurora and the North Metro Line to Thornton were opened. Denver also offers a free MetroRide, providing service to and from Downtown Denver destinations.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

Sheraton Denver Tech Center	
Attraction	**Distance to Subject**
Centennial Center Park	8.0 Mi.
Bluffs Regional Park	4.3 Mi.
Westlands Park	2.1 Mi.
Pirates Cove Family Fun Acquatic Center	7.0 Mi
Cherry Creek State Park	3.3 Mi.
Unser Karting & Events	3.0 Mi.
Fiddler's Green Amphiteatre	1.1 Mi.
Washington Park	8.7 Mi.
Snobahn	4.4 Mi.
Kennedy Golf Course	4.4 Mi.

SWOT Analysis

Strengths	Weaknesses
• Proximity to public transit • Location adjacent to I-25, near Arapahoe Road, which features numerous dining options • Immediate proximity to class-A office complexes, business parks and mixed-use developments • Highly visible structure from surrounding roadways • 12,000 square feet of meeting space	• Lack of proximity to downtown Denver • Distance from Denver International Airport
Opportunities	**Threats**
• Group and corporate business as Denver continues to grow • Increased regional connectivity via public transit	• Supply growth in the market may impact RevPAR growth potential to some extent • Revitalization of Downtown Denver may result in a decline in the relative attractiveness of Greenwood Village and the Denver Tech Center to corporate tenants and residents

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The Denver Tech Center submarket in which the Subject Hotel is located is primarily known for the large concentration of office developments and company headquarters in the area located near the intersection of Interstate 25 with Interstate 225. The Subject Hotel is also in close proximity to large retail shopping centers that serve the surrounding suburbs, the most notable of which is the Meadows Retail Resort, or Park Meadows, which contains approximately 200 retail and dining establishments. The location of notable company offices and retail developments in the area have been shown on the following map as well.

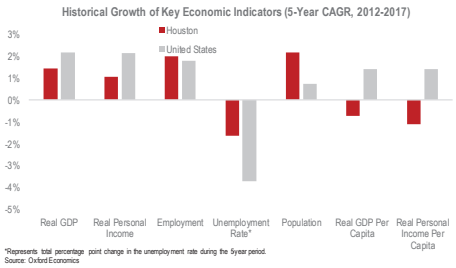
Denver (MSA rank: #20)
Coors Field
Mile High Stadium
Denver Zoo
Colorado Convention Center
Denver Botanic Gardens
Oppenheimer Funds Distributor HQ
Western Union HQ
Great West Financial & Life HQ
Fiddler's Green Amphitheater Park
Comcast Media Center HQ
Meadows Resort Resort
MGM Commercial
Dish Network HQ
Legend
Subject Property
Shopping
Office
Attractions
Events Facility
Size

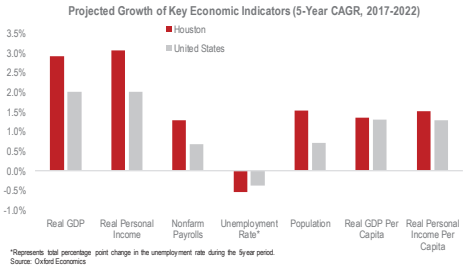
6.4 Houston-The Woodlands-Sugar Land Metropolitan Statistical Area

The subject portfolio includes one hotel in the Houston-The Woodlands-Sugar Land metropolitan statistical area, namely the 292-room Hilton Houston Galleria Area.

6.4.1 Economic Overview

As shown in the charts below, the Houston-The Woodlands-Sugar Land metropolitan statistical area ("Houston" or "Houston metropolitan area") generally realized slower economic growth, as measured by a range of economic indicators, than the United States during the past five years primarily due to weakness in global energy markets since 2015. Population growth averaged 2.2% per year in Houston during the last 5 years compared to 0.7% for the U.S., but negatively productivity growth resulted in average real GDP growth of 1.4% in Houston compared to 2.2% for the U.S. However, as global energy markets appear poised for a recovery and the metropolitan area recovers from Hurricane Harvey, the metropolitan area is expected to achieve stronger economic growth than the nation according to projections from Oxford Economics for the next five years. Houston is expected to realize average real GDP growth of 2.9% per year compared to 2.0% for the U.S., and its employment level is expected to rise 1.3% per year compared to 0.7% for the U.S.





6.4.2 Industry Composition and Key Corporate Demand Drivers

The Houston-The Woodlands-Sugar Land metropolitan statistical area's largest sectors in terms of employment are the Trade, Transportation & Utilities sector and the Professional & Business Services sector. The metropolitan area has the second largest population and gross domestic product in the South Central United States – and the fifth largest population and sixth largest gross domestic product in the United States. Additionally, it features two commercial airports, including William P. Hobby Airport and George Bush Intercontinental/Houston Airport, and port access to the Gulf of Mexico. Given these strong economic and geographic advantages, the metropolitan area provides an attractive location for companies in the Trade, Transportation & Utilities and Professional & Business Services sectors. Notably, while the Natural Resources, Mining & Construction sector represents only 10% of total employment in the metropolitan area, this ratio is significantly higher than the national average. Houston is known as the epicenter of the energy industry in the U.S. and benefits from its proximity to oil production in West Texas and the Gulf of Mexico. The table below summarizes the share of employment by sector in the Houston-The Woodlands-Sugar Land metropolitan statistical area in comparison to the national average:

Share of Employment by Industry (2017)		
Sector	Houston-The Woodlands-Sugar Land, TX	United States
Trade, Transportation & Utilities	20%	19%
Professional & Business Services	16%	14%
Government	13%	15%
Education & Health Services	13%	16%
Leisure & Hospitality	11%	11%
Natural Resources, Minining & Construction	10%	5%
Manufacturing	7%	8%
Financial Activities	5%	6%
Other Services	4%	4%
Information	1%	2%
Total	100%	100%

Source: U.S. Bureau of Labor Statistics, Moody's Analytics, JLL

Given Houston's status as the epicenter of the U.S. energy industry, energy companies represent many of the region's largest employers. Exxon Mobil and Shell Oil are headquartered in the Houston-The Woodlands-Sugar Land metropolitan statistical area, and while Chevron is headquartered in the San Francisco Bay Area, it also maintains significant employment in the Houston area. The largest employers in the Houston-The Woodlands-Sugar Land metropolitan statistical area are summarized in the following table:

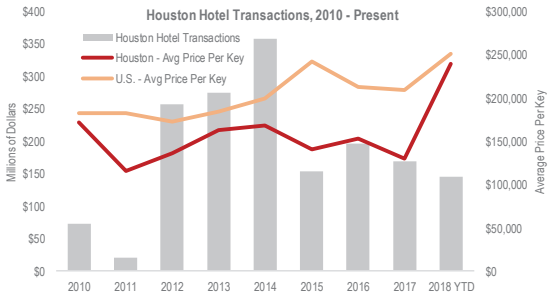
Major Employers: Houston-The Woodlands-Sugar Land, TX Metropolitan Statistical Area		
Rank	Employer	Employees
1	Memorial Hermann Health System	26,021
2	The University of Texas Health Science Center	14,720
3	Schlumberger Ltd.	12,207
4	Landry's Inc.	11,200
5	Exxon Mobile Corp.	11,000
6	Baylor College of Medicine	9,071
7	National Oilwell Varco Inc.	8,960
8	Chevron Corp.	8,000
9	Shell Oil Co.	7,900
10	Baker Hughes Inc.	5,695
11	The Dow Chemical Co.	5,563
12	BP America	5,000
13	TechnipFMC PLC	4,800
14	Fiesta Mart Inc.	4,500
15	Goodman Global Inc.	3,500
16	NASA Johnson's Space Center Houston	3,092
17	ConocoPhillips	3,000
18	Kinder Morgan	2,913
19	Wood Group	2,850
20	Clear Lake Regional Medical Center	2,564

Source: Houston Business Journal, Book of Lists 2017

6.4.3 Hotel Investment Overview

Hotel transactions totaling approximately $1.7 billion have occurred in the Houston lodging market since 2010, making it among the twenty most liquid lodging markets in the U.S. Hotel sales volume in the Houston lodging market has generally been lower during the last few years, declining from more than $350 million in 2015 to an average of approximately $175 million per year since then as weakness in global energy markets and supply growth concerns dampened investor interest in the market. Surveying hotel transactions in the market since 2015, Houston's average capitalization rate amounts to 8.1%, compared to 7.4% for transactions nationwide, and its average sales price is approximately $155,000 per key, compared to $228,000 per key for the U.S. Most recently, however, the market's average price per key for year-to-date transactions through September 2018 rose significantly to $240,000 per key, bringing it close to the national average of $251,000 per key for the same period. As

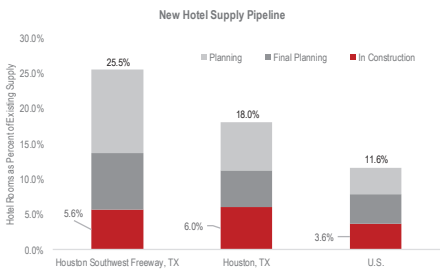
global energy markets appear poised to recover, we expect renewed investor interest and pricing gains for the Houston market.



Note: Includes single-asset hotel transactions in the Houston, TX, market, as defined by Smith Travel Research. YTD data as of Sep 2018. Source: JLL.

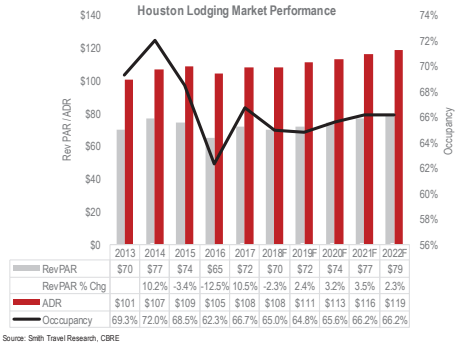
6.4.4 Lodging Market Performance

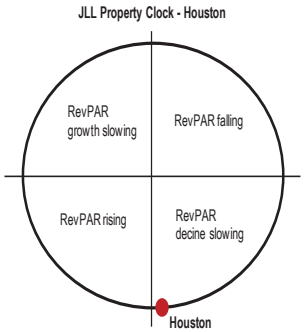
The active new supply pipeline for the Houston lodging market, which includes hotel rooms in the planning, final planning, and construction stages, is significantly higher than the national average. According to data compiled by Smith Travel Research, the Houston lodging market's pipeline amounts to 18.0% of existing rooms inventory, compared to 11.6% for the U.S. The supply pipeline can vary significantly by submarket, however, and the submarket in which the subject portfolio's only Houston area hotel is located, the Houston Southwest Freeway submarket, features a noticeably larger active pipeline, as shown in the first chart below. While Houston's supply pipeline is elevated, demand growth is also expected to be high given that the metropolitan area's projected real GDP growth rate for the next five-year period is among the highest in the U.S. As a result, supply growth and demand growth are expected to be generally balanced in Houston during the next few years according to projections from CBRE. In the case of the Houston Southwest Freeway submarket, however, supply growth may be more likely to materially outpace demand growth in the event that a large number of its projects in the planning stage come to fruition.



The Houston lodging market realized average annual RevPAR growth between 2013 and 2017 of 0.7%, ranking 58th among 60 major U.S. lodging markets for which we have available data. Given the combined impact of large supply increases and weakness in global energy markets, Houston experienced a 3.4% decline in RevPAR in 2015, followed by a 12.5% RevPAR decline in 2016. In 2017, the market sustained RevPAR growth of 10.5%, mostly due to a temporary occupancy increase associated with the impact of Hurricane Harvey. While RevPAR growth is expected to decline again in 2018, a nascent recovery in the global energy markets on which the market's lodging sector depends is expected to propel renewed RevPAR growth in the market beginning in 2019.As a result, RevPAR growth

between 2017 and 2022 is expected to rise to 1.8% annually, ranking 31st among 60 major U.S. lodging markets according to projections from CBRE. The charts below summarize historical and projected RevPAR growth in the Houston market as well as Houston's position on JLL's Property Clock.





6.4.5 Hilton Houston Galleria Area: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of the Hilton Houston Galleria Area ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. The Hilton Houston Galleria Area is the only hotel in the subject portfolio that is located in the Houston metropolitan area.

Location Description

The Subject Hotel is situated at 6780 Southwest Freeway in the City of Houston, in Harris County, Texas. The hotel is approximately 2.8 miles west southwest of the intersection formed by Interstates 69 and 610. It is located 0.5 miles south of Westpark Tollway, immediately north and adjacent to where Interstate 69/Southwest Freeway and Savoy Drive converge.

Access to the site is granted via Southwest Freeway which runs northeast/southwest along the southeast perimeter of the site. The site is bordered by offices and vacant land to the North; Southwest Freeway to the East; Southwest Freeway and La Quinta Inn & Suites, followed by Zuma Fun Center to the South; and offices, vacant land, and retail to the West.

The Subject's location is considered very good, given its proximity to shopping and entertainment, as well as sufficient leisure and corporate demand generators in the area. The Subject Site is located 2.8 miles to the Galleria shopping center and Uptown Houston, as well as 8.5 miles west southwest of Downtown Houston.

Market Positioning

The Subject Hotel is located within the Houston Southwest Freeway tract within the greater Houston lodging market, according to STR. This tract is comprised of 7,703 rooms across a total of 93 hotels. Of the rooms supply, approximately 36.6% are within the economy class, followed by 22.9% within the upper midscale class, and 22.3% within the upscale class. The Subject Hotel is a full-service hotel that falls within the upper upscale class, which comprises 7.7% of the submarket. In this submarket, the greatest room shares are attributed to Independent hotels, Marriott International hotels,

Intercontinental Hotels Group hotels, Hilton Worldwide hotels, and Choice Hotels International hotels, respectively. The Subject belongs to the Hilton Worldwide family of brands, which account for 14.2% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

In the table below, we have summarized the historical Occupancy, ADR, and RevPAR performance of the Subject Hotel relative to its competitive set. The Subject Hotel realized average annual RevPAR growth 3.2% between 2012 and 2018, while its competitive set experience an average annual decline in RevPAR of -1.3%, primarily due to a significant RevPAR decline in 2018. As a result, the Subject Hotel's RevPAR Index has improved from approximately 105% in 2012 to 138% in 2018.

Competitive Set Performance

Occupancy	2012	2013	2014	2015	2016	2017	2018
Hilton Houston Galleria	58.6%	62.8%	65.4%	52.3%	69.0%	74.9%	72.6%
% Change		*7.1%*	*4.0%*	*-19.9%*	*31.9%*	*8.5%*	*-3.0%*
Competitive Set	73.3%	77.5%	75.4%	78.7%	66.3%	69.8%	61.1%
% Change		*5.8%*	*-2.7%*	*4.3%*	*-15.7%*	*5.2%*	*-12.4%*
Index (MPI)	80.0	81.0	86.6	66.5	104.1	107.3	118.8
Average Daily Rate (USD)							
Hilton Houston Galleria	$102.34	$111.29	$114.98	$107.87	$97.39	$105.18	$99.84
% Change		*8.8%*	*3.3%*	*-6.2%*	*-9.7%*	*8.0%*	*-5.1%*
Competitive Set	$77.82	$87.23	$95.19	$93.27	$87.68	$96.52	$85.99
% Change		*12.1%*	*9.1%*	*-2.0%*	*-6.0%*	*10.1%*	*-10.9%*
Index (ARI)	131.5	127.6	120.8	115.7	111.1	109.0	116.1
RevPAR (USD)							
Hilton Houston Galleria	$60.01	$69.92	$75.14	$56.47	$67.23	$78.76	$72.51
% Change		*16.5%*	*7.5%*	*-24.9%*	*19.1%*	*17.1%*	*-7.9%*
Competitive Set	$57.02	$67.63	$71.82	$73.37	$58.14	$67.35	$52.57
% Change		*18.6%*	*6.2%*	*2.2%*	*-20.8%*	*15.8%*	*-22.0%*
Index (RGI)	105.2	103.4	104.6	77.0	115.6	116.9	137.9

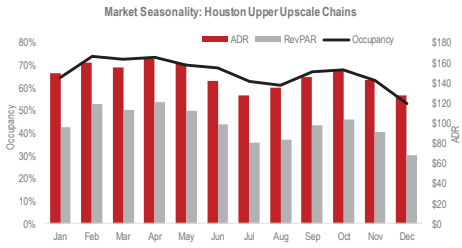
Competitive set includes: Four Points by Sheraton Houston Greenway Plaza (216 rooms), Crowne Plaza Suites Houston Near Sugar Land (243 rooms), Comfort Inn Southwest Freeway @ Westpark (112 rooms), La Quinta Inns & Suites Houston Southwest (117 rooms).

Source: Smith Travel Research

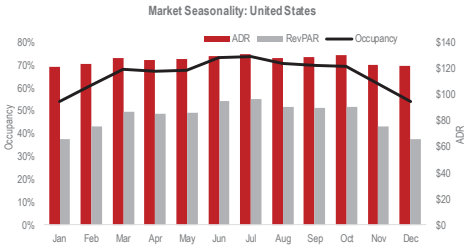
Demand Seasonality

We have estimated the seasonality of demand in the Subject Hotel's market based upon the performance of all upper upscale, branded hotels in the Houston lodging market.[20] As shown in the following charts, upper upscale, branded hotels in the Houston lodging market are subject to seasonal demand patterns that are moderately more pronounced than those generally experienced by hotels in the United States. RevPAR in Houston declines moderately during the summer months given the region's hot, humid climate during this time as well as during the winter holiday months, when RevPAR also declines significantly for the average U.S. hotel.

[20] Given the impact of Hurricane Harvey in 2017, we have utilized monthly data for 2016 to estimate the Houston market's seasonality.



Note: Data pertain to 2016 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Airport Access

George Bush Intercontinental Airport is located approximately 21.5 miles north northeast of the Subject Site. From the Subject, motorists would take Interstate 69 North for 24.8 miles to Texas State Route 8/Beltway Frontage Road, then driving north on John F. Kennedy Boulevard for 3.3 miles to reach the airport. The subject hotel is also served by William P. Hobby Airport, which is approximately 14.0 miles southeast of the subject site.

Regional/Local Access

Primary regional access is provided by Interstates 10, 45, and 69, three major thoroughfares that run directly through the city. Interstate 10 runs east through central Houston and west toward San Antonio. Interstate 45 runs from Galveston northward, continuing through Houston toward Dallas. Interstate 69 originates in Rosenberg, Texas, running northeast through the center of Houston before terminating in Cleveland, Texas. Secondary roadways offer additional connectivity throughout the area. For instance, Interstate 610 forms a loop around the center of Houston. Several alternative routes, such as US Highway 90 (southwest/northeast), US Highway 290 (northwest/southeast), and several Texas State Routes provide enhanced accessibility to and from Houston and the surrounding areas.

Public Transportation

The Metropolitan Transit Authority of Harris County, Texas ("METRO") operates a transportation system that offers light-rail ("METRORail") and buses. METRORail provides access from Downtown Houston to areas north and south of the CBD. The buses help to connect commuters from parking lots to major areas of employment.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

Hilton Houston Galleria Area	
Attraction	**Distance to Subject**
The Music Box Theater	5.2 mi.
Houston Arboretum & Nature Center	4.6 mi.
The Houston Museum of Natural Science	6.8 mi.
Children's Museum of Houston	6.7 mi.
Museum of Fine Arts - Houston	6.7 mi.
Nature Discovery Center	3.2 mi.
Houston Museum District	6.9 mi.
Zuma Fun Center South Houston	0.2 mi.
Arena Theater	1.3 mi.
The Galleria	3.0 mi.

Convention Center

The George R. Brown Convention Center is the primary convention facility for Houston, Texas and is located approximately 9.1 miles northeast of the Subject Hotel. The complex is situated on the eastern edge of Houston's Central Business District, immediately northwest of Interstate 69. The center originally opened in September of 1987, at a cost of $104.9 million.

Since opening, the venue has undergone two expansions, with the last update completed in 2016. The convention center currently features 1.9 million square feet, including 88 meeting rooms, a ballroom, a theater, a 90,000-square-foot mezzanine, a 95,000-square-foot grand concourse, a 97,000-square-foot plaza, and an outdoor special event space dubbed "The Wharf."

Community/Infrastructure Development

Notable developments in Houston include:

- $450 million expansion of the Museum of Fine Arts Houston, which will include 54,000 square feet of gallery space, a theater, a restaurant, and an underground parking garage. The project will open in late 2019.
- The Holocaust Museum Houston expansion is also underway, costing $33.8 million and slated to open in mid-2019.
- East Downtown Houston is currently being developed into an arts and entertainment district.
- Texas Medical Center Corporation has unveiled plans for a $1.5 billion expansion to its research campus by 2022.
- Phase I of the redevelopment of the Houston Zoo is underway, with its completion expected in 2022.
- In the Galleria area, The Post Oak is set to debut in 2018. The development will include 150,000 square feet of Class-A office space, a 250-room hotel, 20 luxury apartments, a Rolls-Royce showroom, a spa, a salon, and several high-end restaurants.
- The Metropolitan Transit Authority of Harris County has presented a preliminary plan for more than $3 billion in projects. The plan involves extensions to light rail and bus lines, including a light rail service serving William P. Hobby Airport from Fannin South Transit

Center and an express bus service between downtown Houston and George Bush Intercontinental Airport.

SWOT Analysis

Strengths	Weaknesses
• Proximity to Galleria shopping facilities and area leisure activities • Connectivity to downtown Houston • Ease of accessibility via Public Transit	• Distant from Houston's primary destinations and attractions •
Opportunities	**Threats**
• Galleria undergoing a renovation and introducing additional major tenants • Global energy markets appear poised for recovery, allowing for accelerating economic growth in the Houston area	• The Houston economy's sensitivity to global energy markets can make its trajectory difficult to predict in the short term • Proximity to the Gulf of Mexico exposes the Houston metropolitan area to hurricanes and flooding, potentially disrupting business

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The Houston Southwest Freeway submarket in which the Subject Hotel is located is primarily known for the large concentration of office developments and company headquarters, many of which are in the energy industry, in the area located near the intersection of Interstate 69 with Interstate 610. It is also the site of large retail shopping developments that serve the surrounding suburban residential communities, the most notable of which is the upscale Houston Galleria, which contains approximately 375 retail and dining establishments. The location of notable company offices and retail developments in the area have been shown on the following map as well.

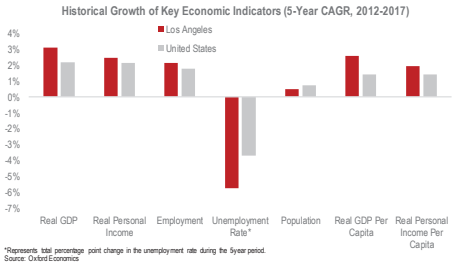
Houston (MSA rank: #6)
Toyota Center
Apache Corporation HQ
Galleria
Chinatown
Westchase
The Galleria
Lakewood Church
Rice University
Phillips 66 HQ
Houston Baptist University
MD Anderson Cancer Center
Legend
Subject Property
Shopping
Office
Attractions
Sugar Land
Missouri City
Fifth Street
Alameda

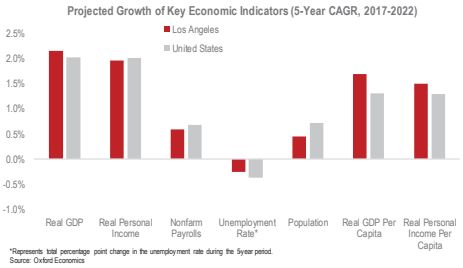
6.5 Los Angeles-Long Beach-Anaheim Metropolitan Statistical Area

The subject portfolio includes four hotels in the Los Angeles-Long Beach-Anaheim metropolitan statistical area, namely the 255-room Holiday Inn Hotel & Suites Anaheim, the 222-room Embassy Suites Anaheim North, the 347-room Queen Mary, and the 333-room Sheraton Pasadena.

6.5.1 Economic Overview

The Los Angeles-Long Beach-Anaheim metropolitan statistical area ("Los Angeles" or "Los Angeles metropolitan area") has achieved stronger economic growth, as measured by a range of economic indicators, than the United States from 2012 - 2017, and this trend is generally expected to continue during the next five years according to projections from Oxford Economics. From 2012 - 2017, real GDP growth averaged 3.1% per year compared to 2.2% for the U.S. and the unemployment rate declined 5.8 percentage points compared to 3.7 percentage points for the U.S. Strong productivity growth primarily contributed to the Los Angeles metropolitan area's high real GDP growth rate. From 2017 – 2022, , strong productivity and income growth are primarily expected to drive real GDP growth of 2.2% per year, compared to 2.0% per year for the U.S. Population growth in the Los Angeles area is generally constrained by its high base level as the second most populous metropolitan area in the U.S. and high barriers to new development.





6.5.2 Industry Composition and Key Corporate Demand Drivers

The Los Angeles-Long Beach-Anaheim metropolitan statistical area features a highly diversified economy in which each industry's share of total metropolitan area employment is broadly in line with the national average. The Trade, Transportation & Utilities sector and the Education & Health Services sector provide the largest share of employment in both the metropolitan area and the nation. The metropolitan area has the second largest population and gross domestic product in the United States and the largest population and gross domestic product on the country's West Coast. The region also features Los Angeles International Airport, the second busiest airport in the U.S., and the busiest port complex in the U.S.[21] The Trade, Transportation & Utilities sector benefits from the region's excellent transportation infrastructure, and the Education & Health Services sector benefits from the region's large population base as well as the presence of several world-class educational institutions, including the University of Southern California, the University of California, Los Angeles (UCLA), and the University of California, Irvine. The table below summarizes the share of employment by sector in the Los Angeles-Long Beach-Anaheim metropolitan statistical area in comparison to the national average:

[21] Rankings for the busiest ports in the world are provided by the World Shipping Council: http://www.worldshipping.org/about-the-industry/global-trade/top-50-world-container-ports.

Share of Employment by Industry (2017)		
Sector	Los Angeles-Long Beach-Anaheim, CA	United States
Trade, Transportation & Utilities	18%	19%
Education & Health Services	17%	16%
Professional & Business Services	15%	14%
Government	12%	15%
Leisure & Hospitality	12%	11%
Manufacturing	8%	8%
Financial Activities	6%	6%
Natural Resources, Minining & Construction	4%	5%
Information	4%	2%
Other Services	3%	4%
Total	100%	100%

Source: U.S. Bureau of Labor Statistics, Moody's Analytics, JLL

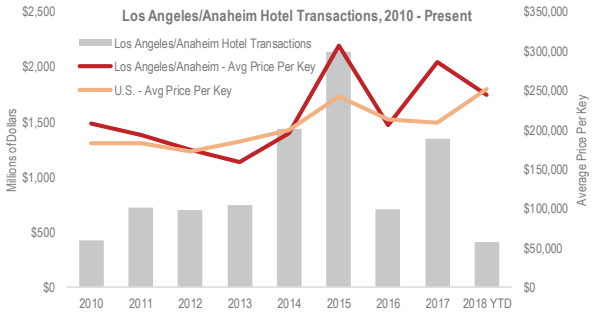
The Los Angeles-Long Beach-Anaheim metropolitan statistical area is widely known as the epicenter of the U.S. entertainment industry given that both Hollywood and Disneyland reside within its boundaries. As a result, Disneyland Resort, the Walt Disney Company, and NBC Universal rank among the region's largest employers along with its large hospital and educational institutions. The largest companies in the Los Angeles-Long Beach-Anaheim metropolitan statistical area are summarized in the following table:

Major Employers: Los Angeles-Long Beach-Anaheim, CA Metropolitan Division		
Rank	Employer	Employees
1	University of California Los Angeles	46,220
2	The Walt Disney Co.	42,000
3	Kaiser Permanente	36,468
4	Disneyland Resort	30,550
5	University of California, Irvine	23,605
6	University of Southern California	20,163
7	Northrop Grumman Corp.	16,600
8	Providence Health Systems	15,255
9	Target Brands Inc.	15,000
10	The Kroger Co.	14,970
11	The Boeing Co.	13,294
12	Albertsons/Vons/Pavilions	13,000
13	Bank of America Corp.	12,500
14	Cedars-Sinai Medical Center	12,242
15	NBC Universal	12,000
16	St. Joseph Health	11,925
17	AT&T	11,500
18	The Home Depot U.S.A. Inc.	10,600
19	Wells Fargo & Co.	9,282
20	ABM Industries Inc.	8,500

Source: Oxford Economics, JLL

6.5.3 Hotel Investment Overview

Hotel transactions totaling approximately $8.6 billion have occurred in the combined Los Angeles-Long Beach-Anaheim lodging market since 2010, making it the third most liquid lodging market in the U.S. after New York and San Francisco/San Jose. Hotel sales volume in Los Angeles/Anaheim peaked at $2.1 billion in 2015 but has remained high with sales volume rising to $1.3 billion in 2017 from approximately $700 million in 2016. Surveying hotel transactions in the market since 2015, the Los Angeles/Anaheim market's average capitalization rate amounts to 7.0%, compared to 7.4% for transactions nationwide, and its average sales price is approximately $274,000 per key, compared to $228,000 per key for the U.S. As the third largest market in the U.S. with relatively high barriers to entry, Los Angeles/Anaheim attracts significant investor interest and commands premium pricing relative to most other U.S. lodging markets.



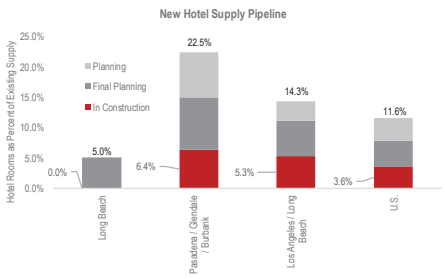
Note: Includes single-asset hotel transactions in the Los Angeles/Long Beach, CA, and Anaheim/Santa Ana, CA, markets, as defined by Smith Travel Research. YTD data as of Sep 2018. Source: JLL.

6.5.4 Lodging Market Performance

The Los Angeles-Long Beach-Anaheim metropolitan statistical area includes two large lodging markets, namely the Los Angeles/Long Beach lodging market and the Anaheim/Santa Ana lodging market, both of which are relevant with respect to the subject portfolio.

Los Angeles/Long Beach Lodging Market Performance

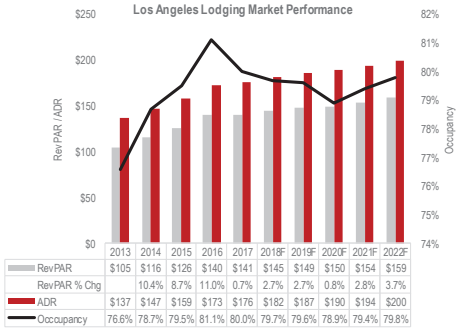
The active new supply pipeline for the Los Angeles/Long Beach lodging market, which includes hotel rooms in the planning, final planning, and construction stages, is moderately higher than the national average. According to data compiled by Smith Travel Research, the pipeline in the Los Angeles/Long Beach lodging market amounts to 14.3% of existing rooms inventory, compared to 11.6% for the U.S. The Long Beach submarket, which contains one of the subject portfolio's two Los Angeles area hotels, features a significantly smaller pipeline, while the Pasadena/Glendale/Burbank submarket, which contains the subject portfolio's other Los Angeles area hotel, has a supply pipeline that is significantly larger than the broader market. Although the supply pipeline for the Los Angeles/Long Beach lodging market is elevated, the area's robust economy and high occupancy rates are expected to allow for strong demand growth as well. Therefore, supply and demand growth are expected to remain balanced in the Los Angeles/Long Beach lodging market during the next few years according to projections from CBRE. We expect that demand growth may outpace supply growth in the Long Beach submarket given its smaller pipeline, while demand and supply growth may remain balanced in Pasadena/Glendale/Burbank submarket despite its larger pipeline given low base levels of supply in the submarket and the large proportion of relatively uncertain hotel projects in the early planning stage.



Source: Smith Travel Research, CBRE

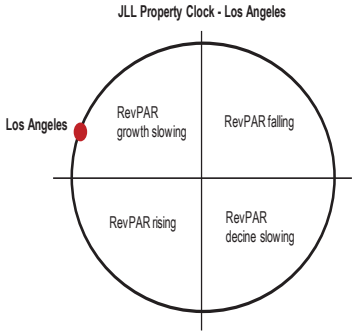
The Los Angeles/Long Beach lodging market realized average annual RevPAR growth between 2013 and 2017 of 7.6%, ranking 12th among 60 major U.S. lodging markets for which we have available data.

ADR growth has been the primary driver of RevPAR gains given limited capacity for further occupancy growth with the market's occupancy rate hovering near 80% since 2014. While rising supply growth is expected to result in decelerating ADR growth, occupancy is expected to remain relatively stable given the market's strong economic profile and our estimation of material unaccommodated demand in the market. As a result, RevPAR growth between 2017 and 2022 is expected to average 2.5% annually, ranking 9th among 60 major U.S. lodging markets according to projections from CBRE. The charts below summarize historical and projected RevPAR growth in the Los Angeles/Long Beach lodging market as well as its position on JLL's Property Clock.



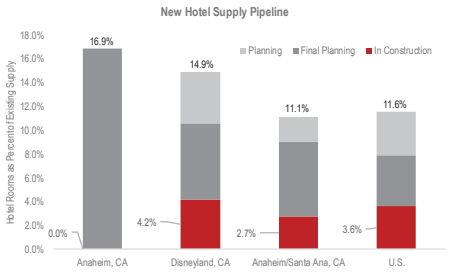
	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$105	$116	$126	$140	$141	$145	$149	$150	$154	$159
RevPAR % Chg		10.4%	8.7%	11.0%	0.7%	2.7%	2.7%	0.8%	2.8%	3.7%
ADR	$137	$147	$159	$173	$176	$182	$187	$190	$194	$200
Occupancy	76.6%	78.7%	79.5%	81.1%	80.0%	79.7%	79.6%	78.9%	79.4%	79.8%

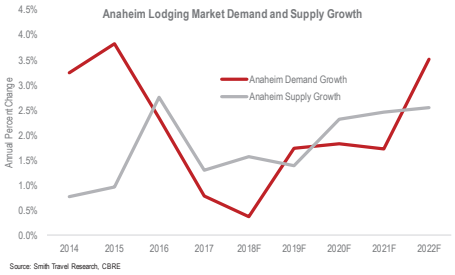
Source: Smith Travel Research, CBRE



Anaheim/Santa Ana Lodging Market Performance

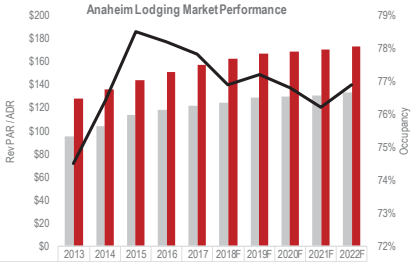
The active new supply pipeline for the Anaheim/Santa Ana lodging market, which includes hotel rooms in the planning, final planning, and construction stages, is slightly lower than the national average. According to data compiled by Smith Travel Research, Anaheim/Santa Ana's pipeline amounts to 11.1% of existing rooms inventory, compared to 11.6% for the U.S. Both the Anaheim and Disneyland submarkets, which contain the subject portfolio's two Anaheim/Santa Ana area hotels, feature moderately larger pipelines than the broader market. The composition of the market's pipeline suggests rising supply growth during the next few years, but demand growth is expected to generally keep pace with supply growth according to projections from CBRE given the area's robust economy. Additionally, we note that while the Anaheim and Disneyland markets feature larger supply pipelines, most of the rooms in their pipelines are not yet in the construction stage and rooms in the early planning stage often do not come to fruition.





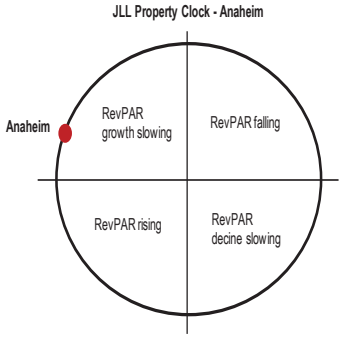
The Anaheim/Santa Ana lodging market realized average annual RevPAR growth between 2013 and 2017 of 6.5%, ranking 27th among 60 major U.S. lodging markets for which we have available data. Similar to the Los Angeles market, the Anaheim/Santa Ana market has maintained a high occupancy

rate during recent years, and ADR growth has primarily propelled RevPAR growth. ADR growth has been decelerating, however, as supply growth has weighed on the market to some extent, and we expect that this trend will continue with ADR growth decelerating from 3.9% in 2017 to 1.0% by 2021. At the same time, robust economic growth is expected to keep supply-driven occupancy declines in the market minimal but noticeable. As a result, RevPAR growth between 2017 and 2022 is expected to average 1.8% annually, ranking 32nd among 60 major U.S. lodging markets according to projections from CBRE. The charts below summarize historical and projected RevPAR growth in the Anaheim/Santa Ana lodging market as well as its position on JLL's Property Clock.



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$95	$104	$113	$118	$122	$125	$128	$130	$130	$133
RevPAR % Chg		9.2%	9.1%	4.2%	3.4%	2.2%	3.0%	1.1%	0.3%	2.5%
ADR	$127	$136	$144	$151	$157	$162	$166	$169	$170	$173
Occupancy	74.5%	76.4%	78.5%	78.2%	77.8%	76.9%	77.2%	76.8%	76.2%	76.9%

Source: Smith Travel Research, CBRE



6.5.5 The Queen Mary Long Beach: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of The Queen Mary Long Beach ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. The Queen Mary Long Beach is among four hotels in the subject portfolio that are located in the Los Angeles-Long Beach-Anaheim metropolitan statistical area and among two hotel hotels in the subject portfolio that are located in the Los Angeles lodging market.

Location Description

The Subject Hotel is situated at 1126 Queens Highway in the City of Long Beach, in Los Angeles County, California. The hotel is 1.4 miles southeast of the interchange formed by Interstate 710/Seaside Freeway and West Ocean Boulevard, at the northeastern tip of the Harbor Plaza peninsula, and immediately North of the Long Beach Cruise Terminal.

Access to the site is granted via an access road that runs parallel to Queens Highway and South Harbor Scenic Drive which runs northwest/southeast along the southwest perimeter of the dock. The site is bordered by Queensway Bay and mouth of the Los Angeles River to the North; Pacific Ocean and Long Beach Cruise Terminal to the East; Long Beach Cruise Terminal and parking to the South; and Harry Bridges Memorial Park and parking to the West.

The Subject's location is considered very good, given its immediate proximity to entertainment venues and adequate leisure and corporate demand generators. The Subject Site is located approximately 1.0 mile directly south of Downtown Long Beach.

Market Positioning

The Subject Hotel is located within the Long Beach tract within the greater Los Angeles/Long Beach lodging market, according to STR. This tract is comprised of 6,250 rooms across a total of 59 hotels. Of the rooms supply, approximately 35.5% are within the upper upscale class, followed by 23.8% within the economy class, and 23.8% within the upscale class. The Subject Hotel is a full-service hotel that falls within the upscale class. In this submarket, the greatest room shares are attributed to Marriott International hotels, Independent hotels, Hilton Worldwide hotels, Hyatt hotels, and Best Western Hotels & Resorts hotels, respectively. The Subject belongs to the Independent family of brands, which account for 23.7% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

In the table below, we have summarized the historical Occupancy, ADR, and RevPAR performance of the Subject Hotel relative to its competitive set. The Subject Hotel realized average annual RevPAR growth of 3.6% between 2013 and 2018, compared to 6.8% for its competitive set. As a result, its RevPAR Index has declined from approximately 77% in 2012 to 66% in 2018.

Competitive Set Performance

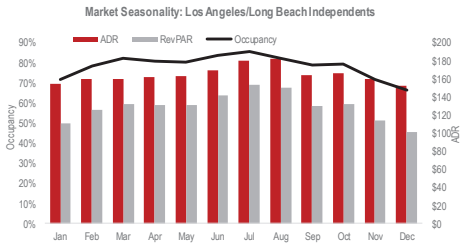
Occupancy	2013	2014	2015	2016	2017	2018
Hotel Queen Mary	65.3%	70.3%	71.2%	65.2%	68.3%	69.8%
% Change		*7.6%*	*1.3%*	*-8.4%*	*4.8%*	*2.1%*
Competitive Set	77.7%	78.9%	77.5%	80.8%	82.4%	82.1%
% Change		*1.5%*	*-1.8%*	*4.3%*	*2.0%*	*-0.4%*
Index (MPI)	84.0	89.1	91.9	80.7	82.9	85.0
Average Daily Rate (USD)						
Hotel Queen Mary	$129.21	$130.89	$136.94	$144.07	$144.63	$144.36
% Change		*1.3%*	*4.6%*	*5.2%*	*0.4%*	*-0.2%*
Competitive Set	$140.23	$148.08	$166.30	$176.20	$185.82	$184.77
% Change		*5.6%*	*12.3%*	*6.0%*	*5.5%*	*-0.6%*
Index (ARI)	92.1	88.4	82.3	81.8	77.8	78.1
RevPAR (USD)						
Hotel Queen Mary	$84.42	$92.02	$97.50	$93.93	$98.79	$100.70
% Change		*9.0%*	*6.0%*	*-3.7%*	*5.2%*	*1.9%*
Competitive Set	$109.00	$116.84	$128.88	$142.37	$153.17	$151.64
% Change		*7.2%*	*10.3%*	*10.5%*	*7.6%*	*-1.0%*
Index (RGI)	77.4	78.8	75.7	66.0	64.5	66.4

Competitive set includes: Courtyard Long Beach Downtown (216 rooms), Hyatt Regency Long Beach (528 rooms), Doubletree Hotel Maya (199 rooms), Renaissance Long Beach Hotel (374 rooms), Westin Long Beach (469 rooms), Hilton Long Beach (399 rooms).

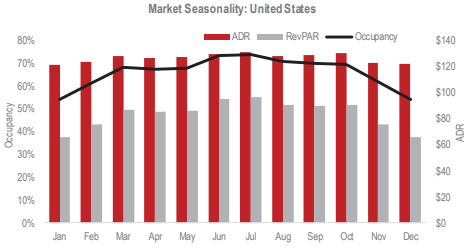
Source: Smith Travel Research

Demand Seasonality

We have estimated the seasonality of demand in the Subject Hotel's market based upon the performance of all independent hotels in the Los Angeles/Long Beach lodging market. As shown in the following charts, independent hotels in the Los Angeles/Long Beach lodging market are not subject to seasonal demand patterns that are significantly more pronounced than those generally experienced by hotels in the United States. Typically, RevPAR in the U.S. declines during the colder winter months, especially in December when the holidays result in a decline in business-related transient and group travel.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Airport Access

Long Beach Airport is located approximately 5.0 miles north northeast of the Subject Site. From the Subject, motorists would take Interstate 710 North to California State Route 1 South/Pacific Coast Highway, traveling 4.7 miles before following North Lakewood Boulevard to arrive at the airport. The subject hotel is also served by Los Angeles International Airport, which is approximately 18.0 miles northwest of the subject site.

Regional/Local Access

Primary regional access is provided by Interstate 405 and Interstate 710, two major thoroughfares that run through the city of Long Beach, California. Interstate 405 runs north to San Fernando and south to Irvine, carving a path through the western and southern parts of the Los Angeles area. Interstate 710 (Long Beach Freeway) runs north from Long Beach toward its terminus near Alhambra. Secondary roadways offer additional connectivity throughout the area. For instance, Interstate 110 runs outside the eastern edge of Long Beach, from San Pedro in the south to its terminus in Downtown Los Angeles. Alternative routes, including several California State Routes, provide enhanced accessibility to and from Long Beach and the surrounding areas.

Public Transportation

The Long Beach Transit operates a network of buses, water taxis ("AquaLink and AquaBus"), and a free shuttle service ("Passport"). Bus service provides public transport for Long Beach, Lakewood, and Signal Hill via 34 routes. Four of these routes serve the Long Beach Airport. The service also provides access to the Metrolink services to Los Angeles and other neighboring cities. AquaLink and AquaBus provide transport between six ports, serving coastal points of interest in and around Long Beach during the summer months. Passport connects riders to Long Beach attractions, including the Queen Mary.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

The Queen Mary Long Beach	
Attraction	**Distance to Subject**
The Queen Mary	0.0 Mi.
Aquarium of the Paciifc	0.7 Mi.
Anaheim Theme Parks	12.7 Mi.
Belmont Shore	3.1 Mi.
El Dorado East Regional Park & Golf Course	6.5 Mi.
Earl Burns Miller Japanese Garden	4.7 Mi.
ShoreLine Aquatic Park	0.6 Mi.
The Museum of Latin American Art (MOLAA)	1.6 Mi.
Long Beach Museum of Art	1.7 Mi.
Rancho Los Cerritos	6.0 Mi.

Convention Center

The Long Beach Convention & Entertainment Center, which is located 0.9 miles from the Subject Hotel, is situated along East Ocean Boulevard in Downtown Long Beach, California. The center originally opened in 1977, adjacent to the arena and on the former site of the Long Beach Municipal Auditorium demolished two years prior.

Since opening, the venue has undergone two renovations/expansions, with the last update completed in 2013, at a cost of $10 million. The convention center now boasts more than 570,000 square feet of space, with 224,000 attributed to exhibition space.

Community/Infrastructure Development

Nearby Los Angeles is currently undergoing a massive expansion of the area's transit network. Los Angeles Department of Transportation ("LADOT") is expected to overhaul sections of the Blue Line which provides access to and from Long Beach. Partial closures of the line are expected for a period of eight months in 2019, during which time LADOT would provide express buses to replace the service. The line is expected to reopen in late 2019.

Long Beach Airport is expected to undergo $58.8 million in improvements to rental car facilities, the historic terminal building, and baggage claim over the course of three years. Later stages of the plan call for improvements to the terminal loop, signage, and the development of a new area for ground transportation.

SWOT Analysis

Strengths	Weaknesses
• Hotel's status as leisure and events destination • Accessibility to roadways and airport • Accessibility to water taxis and other coastal points of interest • Diversified revenue streams	• Lack of affiliation, distribution system
Opportunities	**Threats**
• Improved features, amenities • Opportunities to expand event roster for complex • Surrounding land represents future development opportunity • Enhance partnerships with area business and contracts with event companies • Continued growth of the port of Long Beach / Los Angeles	• Large supply growth in the Los Angeles/Long Beach area may negatively impact RevPAR growth potential in the short to medium term

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The Long Beach submarket in which the Subject Hotel is located is primarily known for its leisure attractions, including the Long Beach Cruise Terminal, the Aquarium of the Pacific, and several art museums, as well as the adjacent Long Beach and Los Angeles port complexes, which are the busiest container ports in the U.S.

6.5.6 Sheraton Pasadena: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of the Sheraton Pasadena ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. The Sheraton Pasadena is among four hotels in the subject portfolio that are located in the Los Angeles-Long Beach-Anaheim metropolitan statistical area and among two hotel hotels in the subject portfolio that are located in the Los Angeles lodging market.

Location Description

The Subject Hotel is situated at 303 Cordova Street in the City of Pasadena, in Los Angeles County, California. The hotel is approximately 0.75 mile southeast of the intersection formed by Interstates 210 and 710. It is located along Cordova Street, immediately south of the Pasadena Convention Center in Downtown Pasadena.

Access to the site is granted via an access road that runs parallel to Cordova Street. which runs east/west along the south perimeter of the site. Additional access is available via South Marengo Avenue or South Euclid Avenue, located along the east and west perimeters of the property. The site is bordered by Pasadena Visitor's Center, Pasadena Ice Skating Center, and Pasadena Convention Center to the North; South Euclid Avenue and residential to the East; an access road, Arpeggio Pasadena, residential apartments, and Cordova Street to the South; and South Marengo Avenue and offices to the West.

The Subject's location is considered good, given its immediate proximity to Pasadena Convention Center, as well as leisure and corporate demand generators. The Subject Site is in Downtown Pasadena.

Market Positioning

The Subject Hotel is located within the Pasadena/Glendale/Burbank tract within the greater Los Angeles/Long Beach lodging market, according to STR. This tract is comprised of 7,333 rooms across a total of 68 hotels. Of the rooms supply, approximately 30.0% are within the upper upscale class, followed by 21.9% within the economy class, and 21.8% within the upscale class. The Subject Hotel is a full-service hotel that falls within the upper upscale class. In this submarket, the greatest room shares are attributed to Marriott International hotels, Hilton Worldwide hotels, Independent hotels, Intercontinental Hotels Group hotels, and Wyndham Worldwide hotels, respectively. The Subject belongs to the Marriott International family of brands, which account for 29.1% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

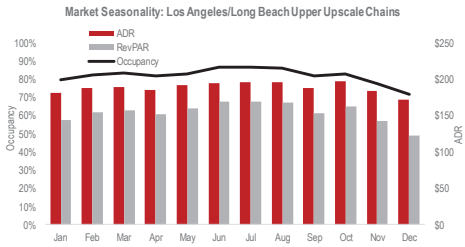
In the table below, we have summarized the historical Occupancy, ADR, and RevPAR performance of the Subject Hotel relative to its competitive set. The Subject Hotel realized average annual RevPAR growth of 3.9% between 2014 and 2018, compared to average annual RevPAR growth of 3.3% for its competitive set during this time. As a result, the Subject Hotel's RevPAR Index increased from approximately 84% in 2014 to 86% in 2018.

Competitive Set Performance					
Occupancy	**2014**	**2015**	**2016**	**2017**	**2018**
Sheraton Hotel Pasadena	85.9%	87.3%	85.9%	50.6%	76.9%
% Change		*1.6%*	*-1.6%*	*-41.1%*	*52.0%*
Competitive Set	83.9%	86.9%	86.4%	79.3%	84.8%
% Change		*3.6%*	*-0.6%*	*-8.2%*	*6.8%*
Index (MPI)	102.4	100.5	99.4	63.8	90.7
Average Daily Rate (USD)					
Sheraton Hotel Pasadena	$131.58	$140.32	$160.17	$176.41	$171.06
% Change		*6.6%*	*14.1%*	*10.1%*	*-3.0%*
Competitive Set	$160.68	$164.09	$179.51	$184.55	$181.05
% Change		*2.1%*	*9.4%*	*2.8%*	*-1.9%*
Index (ARI)	81.9	85.5	89.2	95.6	94.5
RevPAR (USD)					
Sheraton Hotel Pasadena	$113.03	$122.50	$137.59	$89.22	$131.47
% Change		*8.4%*	*12.3%*	*-35.2%*	*47.4%*
Competitive Set	$134.81	$142.59	$155.10	$146.40	$153.45
% Change		*5.8%*	*8.8%*	*-5.6%*	*4.8%*
Index (RGI)	83.8	85.9	88.7	60.9	85.7

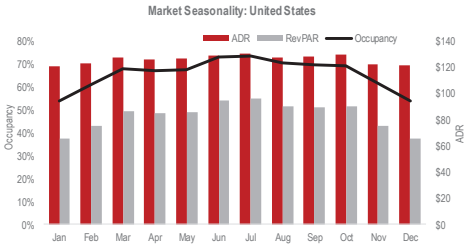
Competitive set includes: Best Western Pasadena Inn (62 rooms), Hilton Pasadena (296 rooms), Best Western Pasadena Royale Inn & Suites (63 rooms), Westin Pasadena (350 rooms), Holiday Inn Express & Suites Pasadena Colorado Boulevard (93 rooms), Courtyard Los Angeles Pasadena Old Town (314 rooms), dusitD2 Hotel Constance Pasadena (129 rooms).
Source: Smith Travel Research

Demand Seasonality

We have estimated the seasonality of demand in the Subject Hotel's market based upon the performance of all upper upscale, branded hotels in the Los Angeles/Long Beach lodging market. As shown in the following charts, upper upscale, branded hotels in the Los Angeles/Long Beach lodging market are not subject to seasonal demand patterns that are significantly more pronounced than those generally experienced by hotels in the United States. Typically, RevPAR in the U.S. declines during the colder winter months, especially in December when the holidays result in a decline in business-related group and transient travel.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Airport Access

Los Angeles International Airport is located approximately 20.7 miles southwest of the Subject Site. From the Subject, motorists would take South Marengo Avenue south to California State Route 110, continuing onto Interstates 110 South and 105 West for 24.9 miles before reaching California State Route 1 North and driving another 0.8 miles north to reach the airport. The subject hotel is also served by Ontario International Airport, which is approximately 31.8 miles east southeast of the subject site.

Regional/Local Access

Primary regional access is provided by Interstate 210, a major thoroughfare that runs east/west through the city of Pasadena. Interstate 210 runs east toward Covina before continuing as a State Route. Its western terminus is at Interstate 5 in San Fernando.

An Interstate 710 stub runs directly south from Interstate 210 to East California Boulevard in Pasadena. Construction of the Interstate southward, to connect it to another Interstate 710 stub just south of Pasadena, had been contested for 60 years. As a result, the stretch of missing highway was dubbed "the South Pasadena Gap". In 2017, authorities officially abandoned the project, reallocating the $780 million to improve existing traffic conditions in the area.

Secondary roadways offer additional connectivity throughout the area. For instance, California State Route 134 (east/west), and State Route 110 (extends south toward Interstate 110) provide enhanced accessibility to and from Pasadena and the surrounding areas.

Public Transportation

Pasadena offers a robust network of light-rail, trains, and buses. The Los Angeles Metro Gold Line provides 31 miles of light rail service to and from a total of 27 stations, which extend west to Los Angeles and east through Pasadena to Azusa. Local bus services are provided by Pasadena Transit and are supplemented by regional bus lines, such as those operated by the Los Angeles Department of Transportation ("LADOT") and Foothill Transit. Foothill Transit operates public bus lines within the San Gabriel and Pomona Valleys, providing access to Los Angeles County destinations. Geographic Cluster 3 originates in Arcadia and runs through Pasadena before reaching its western terminus in Temple City.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

Sheraton Pasadena	
Attraction	**Distance to Subject**
Rose Bowl	1.9 Mi.
Descanso Gardens	5.5 Mi.
Norton Simon Museum	0.9 Mi.
Huntington Library	1.9 Mi.
The Gamble House	1.1 Mi.
San Gabriel Mission	3.8 Mi.
Old Pasadena	0.5 Mi.
Eaton Canyon Falls Trail	3.7 Mi.
Pasadena City Hall	0.3 Mi.
Pasadena Museum of California Art	0.4 Mi.

Convention Center

The Pasadena Convention Center is located immediately north of the Subject Hotel and consists of three major components: Pasadena Civic Auditorium, an exhibition building, and a conference building. The center originally opened in 1931 and has since regularly hosted several high-profile events.

The venue's most recent renovations were completed in February of 2015 and included a $900,000 update of Exhibit Hall C and $1.9 million in upgrades to the conference building. The convention center currently features 55,000 square feet of divisible exhibition space and an adjacent Grand Ballroom with 25,000 of flexible exhibition space. Exhibit Hall C is located on the north end of the Civic Auditorium building and offers an additional 17,000 square feet of exhibition space. The conference building features a total of 28,000 square feet across 18 meeting rooms and the Civic Auditorium holds 3,000 seats.

Community/Infrastructure Development

Los Angeles, California is planning to host the 2028 Olympic games. Infrastructure improvements expected include a massive expansion of the local transit network. The expansion includes a nine-mile extension of the Westside subway, opening in 2023. Currently under construction, the 8.5-mile Crenshaw Line is to add light rail service south from Crenshaw Station through Inglewood, opening in late 2019. By 2024, Metro will add a station to help connect travelers to LAX via the new LAX Automated People Mover, opening in 2023. The Downtown Regional Connector is expected to be complete in 2021, connecting the Gold Line directly to the Blue and Expo Lines and adding three stations to Downtown Los Angeles. The connector will eliminate at least one transfer between Downtown Los Angeles and Pasadena. LADOT also intends to build a Bus Rapid Transit line connecting North Hollywood Red Line Station to Del Mar Gold Line Station in Pasadena.

SWOT Analysis

Strengths	Weaknesses
• Immediately adjacent to newly renovated Civic Auditorium and Pasadena convention facilities • Location in heart of Old Town Pasadena • Proximity to numerous leisure and corporate demand generators, including Huntington Library/Gardens, California Institute of Technology, and office complexes in nearby Glendale • Highly desirable neighborhood with strong retail, dining, and entertainment venues and a high-income local population • Proximity to Paseo Colorado Mall • Hotel offers Club Lounge	• High cost of labor in the Los Angeles market
Opportunities	**Threats**
• Improved public transit to and from LA by 2021, as well as LAX airport access by public transit in 2023/24	• Supply growth in the market may impact RevPAR growth potential to some extent

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The Pasadena/Glendale/Burbank submarket in which the Subject Hotel is located is primarily known for the large concentration of office and retail developments as well as cultural attractions in the area. Pasadena also features upscale

residential neighborhoods and a relatively high income per capita, which supports the area's many cultural amenities and retail developments. Notable cultural attractions include the Norton Simon Museum, Rose Bowl, and the Huntington Library, Art Collections, and Botanical Gardens, which accommodates approximately 750,000 visitors per year.

6.5.7 Embassy Suites by Hilton Anaheim North: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of the Embassy Suites by Hilton Anaheim North ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. The Embassy Suites by Hilton Anaheim North is among four hotels in the subject portfolio that are located in the Los Angeles-Long Beach-Anaheim metropolitan statistical area and among two hotel hotels in the subject portfolio that are located in the Anaheim lodging market.

Location Description

The Subject Hotel is situated at 3100 East Frontera Street in the City of Anaheim, in Orange County, California. The hotel is 1.4 miles east of the intersection formed by California State Routes 57 and 91, within the southeast quadrant of the Glassell Street and California State Route 91 intersection, and immediately south of the Anaheim Canyon commercial and industrial area.

Access to the site is granted via Frontera Street which runs east/west along the northwest perimeter of the site. Additional access is available via Newkirk Road, located along the eastern perimeter of the property. The site is bordered by Frontera Street and California State Route 91 to the North; Newkirk Road and SA Recycling to the East; Santa Ana River to the South; and Xalos Event Center, Frontera Street, and Glassell Street to the West.

The Subject's location is considered very good, given its immediate proximity to public transportation and substantial corporate demand generators. The Subject Site is located approximately 2.0 miles east northeast of Downtown Anaheim.

Market Positioning

The Subject Hotel is located within the Anaheim tract within the greater Anaheim/Santa Ana lodging market, according to STR. This tract is comprised of 5,888 rooms across a total of 66 hotels. Of the rooms supply, approximately 46.3% are within the economy class, followed by 19.3% within the upper midscale class, and 16.5% within the upscale class. The Subject Hotel is a full-service hotel that falls within the upper upscale class, which comprises 8.1% of the submarket. In this submarket, the greatest room shares are attributed to Independent hotels, Hilton Worldwide, Marriott International, Ayres, and G6 Hospitality, respectively. The Subject belongs to the Hilton Worldwide family of brands, which account for 15.5% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

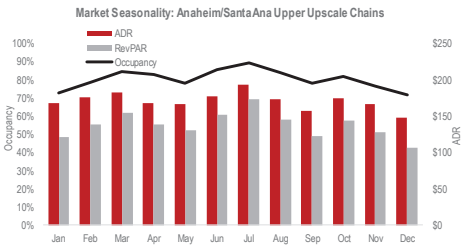
In the table below, we have summarized the historical Occupancy, ADR, and RevPAR performance of the Subject Hotel relative to its competitive set. The Subject Hotel realized average annual RevPAR growth 3.4% between 2012 and 2018, compared to 5.2% for its competitive set. As a result, its RevPAR Index has declined from approximately 121% in 2012 to 109% in 2018.

Competitive Set Performance							
Occupancy	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Embassy Suites Anaheim North	80.0%	78.2%	71.9%	83.3%	87.4%	81.7%	81.2%
% Change		*-2.2%*	*-8.2%*	*15.9%*	*4.9%*	*-6.4%*	*-0.6%*
Competitive Set	78.1%	79.3%	79.8%	80.8%	79.1%	78.9%	77.6%
% Change		*1.6%*	*0.6%*	*1.3%*	*-2.2%*	*-0.2%*	*-1.6%*
Index (MPI)	102.5	98.6	90.0	103.0	110.5	103.6	104.6
Average Daily Rate (USD)							
Embassy Suites Anaheim North	$124.10	$129.56	$133.11	$134.60	$140.30	$144.94	$149.41
% Change		*4.4%*	*2.7%*	*1.1%*	*4.2%*	*3.3%*	*3.1%*
Competitive Set	$105.35	$110.62	$119.67	$128.35	$134.21	$139.41	$143.56
% Change		*5.0%*	*8.2%*	*7.2%*	*4.6%*	*3.9%*	*3.0%*
Index (ARI)	117.8	117.1	111.2	104.9	104.5	104.0	104.1
RevPAR (USD)							
Embassy Suites Anaheim North	$99.33	$101.37	$95.64	$112.06	$122.57	$118.48	$121.35
% Change		*2.1%*	*-5.6%*	*17.2%*	*9.4%*	*-3.3%*	*2.4%*
Competitive Set	$82.25	$87.75	$95.52	$103.76	$106.12	$110.01	$111.43
% Change		*6.7%*	*8.9%*	*8.6%*	*2.3%*	*3.7%*	*1.3%*
Index (RGI)	120.8	115.5	100.1	108.0	115.5	107.7	108.9

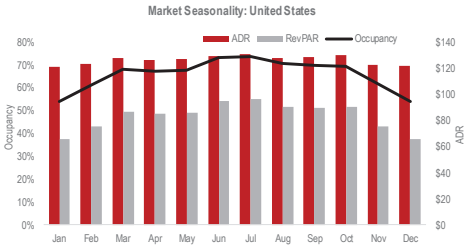
Competitive set includes: Doubletree Anaheim Orange County (461 rooms), Radisson Suites Hotel Anaheim Buena Park (200 rooms), Embassy Suites Anaheim Orange (230 rooms), Embassy Suites Brea North Orange County (228 rooms), Marriott Fullerton @ California State University (224 rooms), Delta Hotel Anaheim Garden Grove (376 rooms).
Source: Smith Travel Research

Demand Seasonality

We have estimated the seasonality of demand in the Subject Hotel's market based upon the performance of all upper upscale, branded hotels in the Anaheim/Santa Ana lodging market. As shown in the following charts, upper upscale, branded hotels in the Anaheim/Santa Ana lodging market are not subject to seasonal demand patterns that are significantly more pronounced than those generally experienced by hotels in the United States. Typically, RevPAR in the U.S. declines during the colder winter months, especially in December when the holidays result in a decline in business-related group and transient travel.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Airport Access

John Wayne Airport is located approximately 12.0 miles directly south of the Subject Site. From the Subject, motorists would take California State Route 91 East to California State Route 55, traveling southward an approximate 14.0 miles to arrive at the airport. The subject hotel is also served by Long Beach Airport, which is approximately 17.0 miles west of the subject site.

Regional/Local Access

Primary regional access is provided by Interstate 5, a major thoroughfare that runs directly through the city of Anaheim. Interstate 5 runs north through Los Angeles and south through San Diego, terminating at the border of Mexico. Secondary roadways offer additional connectivity throughout the area. For

instance, California State Route 91 (east/west), State Route 57 (north/south), and State Route 55 (extends south) provide enhanced accessibility to and from Anaheim and the surrounding areas.

Public Transportation

Public transportation in Anaheim is facilitated by a robust network of railways and buses. The Anaheim Regional Transportation Intermodal Center ("ARTIC") is located proximate to Angel Stadium, and serves as a regional hub for Amtrak, Metrolink, and several bus lines. In addition to operating local Metrolink stations, Orange County Transportation Authority ("OCTA") offers extensive bus services throughout Orange County. Los Angeles County Metro also provides connecting bus routes to Anaheim. Additionally, Anaheim Resort Transit ("ART") operates shuttles, providing enhanced access to Anaheim resorts and theme parks.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

Embassy Suites by Hilton Anaheim North	
Attraction	**Distance to Subject**
Disneyland Resort & Area Theme Parks	4.5 Mi.
Anaheim Packing District	3.6 Mi.
Angela Stadium of Anaheim	3.6 Mi.
Honda Center	3.0 Mi.
Anaheim Convention Center	5.1 Mi.
City National Grove of Anaheim	3.6 Mi.
Anaheim Ice	3.9 Mi.
Muzeo Museum and Cultural Center	3.6 Mi.
Anaheim GardenWalk	4.5 Mi.
Bowers Museum	5.8 Mi.

Convention Center

The Anaheim Convention Center, located 5.1 miles from the Subject Hotel, is situated across from the Disneyland Resort on Katella Avenue in Anaheim, California. The center originally opened in July of 1967 for a total construction cost of $15 million.

Since opening, the venue has undergone six renovations/expansions, with the last update completed in 2017. The convention center now boasts 1.6 million square feet of space, making it the largest exhibit facility on the west coast.

Community/Infrastructure Development

Anaheim community and infrastructure improvements include:

- Disney Resorts currently working to introduce Star Wars lands in 2019.
- In terms of transportation, OCTA is currently receiving bids to move forward with the Anaheim Canyon Metrolink Station Improvement Project. The project calls for the construction of new tracks, new control points, an extension of the existing platform, a new second platform, a western retaining wall, and ADA compliant access points.

- In early 2018, an Interstate 405 expansion in Orange County began. The $1.9 billion expansion runs 16 miles between Costa Mesa and the Los Angeles County line. The project is slated for completion in 2023.

SWOT Analysis

Strengths	Weaknesses
• Proximity to area office parks • Proximity to Disneyland, which attracted over 18 million visitors in 2017 • 5.1 miles from Anaheim Convention Centre which is the largest exhibit facility on the west coast • Immediate accessibility to CA-91; proximity to CA-55 and CA 57 • Listed on Disneyland's "Good Neighbor Hotels"	• Relatively farther away from area theme parks • Relatively farther away from convention center • High cost of labor in the Los Angeles/Anaheim market
Opportunities	**Threats**
• Potential for improvement to RevPAR following renovation • Location near growing Anaheim Canyon business base • Nearby Anaheim Canyon station construction/expansion • Increased demand with the addition of Star Wars Land	• Potential impact of hotel supply pipeline for Disney

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The Anaheim submarket in which the Subject Hotel is located is primarily known for the large concentration of office and retail developments in the area as well as for its proximity to Disneyland Resort in the immediately adjacent Disneyland submarket. The locations of notable companies in the area are included on the map as well.

Los Angeles (MSA rank: #2)
Bank of America
Cal State Fullerton
Richard Nixon Library
Kimberly Clark
Kaiser Permanente
Knott's Berry Farm
Volk
Disneyland
Anaheim Convention Center
Honda Center
Angel Stadium of Anaheim
Crystal Cathedral
Chapman University
Legend
Subject Property
Shopping
Office
Attractions
Events Facility
Airport
2km

6.5.8 Holiday Inn Hotel & Suites Anaheim: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of the Holiday Inn Hotel & Suites Anaheim ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. The Holiday Hotel Inn & Suites Anaheim is among four hotels in the subject portfolio that are located in the Los Angeles-Long Beach-Anaheim metropolitan statistical area and among two hotel hotels in the subject portfolio that are located in the Anaheim lodging market.

Location Description

The Subject Hotel is situated at 1240 South Walnut Street in the City of Anaheim, in Orange County, California. The hotel is 4.0 miles southeast of the intersection formed by Interstate 5 and California State Route 91, in the southeast quadrant of the West Ball Road and South Walnut Street intersection, and immediately northwest of the Disneyland Complex.

Access to the site is granted via South Walnut Street which runs north/south along the west perimeter of the site. The site is bordered by a Shell Gas Station, a post office, and SpringHill Suites by Marriott Anaheim to the North; Disneyland parking to the East; Disneyland parking to the South; and South Walnut Street and residences to the West.

The Subject's location is considered excellent, given its immediate proximity to the Disneyland Complex and Anaheim Convention Center, as well as substantial corporate and leisure demand generators. The Subject Site is located immediately northwest of Disneyland and approximately 1.4 miles southwest of Downtown Anaheim.

Market Positioning

The Subject Hotel is located within the Disneyland tract within the greater Anaheim/Santa Ana lodging market, according to STR. This tract is comprised of 19,268 rooms across a total of 89 hotels. Of the rooms supply, approximately 33.2% are within the upscale class, followed by 28.7% within the upper upscale class, and 24.2% within the upper midscale class. The Subject Hotel is a full-service hotel that falls within the upper midscale class. In this submarket, the greatest room shares are attributed to Marriott International hotels, Independent hotels, Hilton Worldwide hotels, Disney Hotels, and Hyatt hotels, respectively. The Subject belongs to the Intercontinental Hotels Group family of brands, which account for 5.2% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

In the table below, we have summarized the historical Occupancy, ADR, and RevPAR performance of the Subject Hotel relative to its competitive set. The Subject Hotel realized average annual RevPAR growth 6.6% between 2012 and 2018, compared to 6.9% for its competitive set. As a result, its RevPAR Index has declined from approximately 104% in 2012 to 103% in 2018.

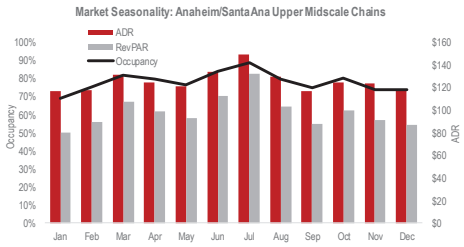
Competitive Set Performance							
Occupancy	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Holiday Inn & Suites Anaheim Disneyland	84.8%	83.7%	87.0%	91.9%	87.9%	87.9%	86.5%
% Change		*-1.3%*	*3.9%*	*5.7%*	*-4.3%*	*-0.1%*	*-1.6%*
Competitive Set	75.1%	76.1%	79.8%	80.6%	81.7%	81.1%	82.4%
% Change		*1.4%*	*4.8%*	*1.1%*	*1.3%*	*-0.8%*	*1.6%*
Index (MPI)	113.0	109.9	109.1	114.0	107.6	108.4	105.0
Average Daily Rate (USD)							
Holiday Inn & Suites Anaheim Disneyland	$90.32	$99.48	$110.31	$118.20	$118.48	$122.12	$130.09
% Change		*10.1%*	*10.9%*	*7.2%*	*0.2%*	*3.1%*	*6.5%*
Competitive Set	$97.73	$107.85	$116.05	$124.19	$126.18	$129.90	$132.56
% Change		*10.3%*	*7.6%*	*7.0%*	*1.6%*	*2.9%*	*2.0%*
Index (ARI)	92.4	92.2	95.1	95.2	93.9	94.0	98.1
RevPAR (USD)							
Holiday Inn & Suites Anaheim Disneyland	$76.64	$83.29	$96.00	$108.68	$104.20	$107.31	$112.52
% Change		*8.7%*	*15.3%*	*13.2%*	*-4.1%*	*3.0%*	*4.9%*
Competitive Set	$73.38	$82.12	$92.59	$100.14	$103.09	$105.33	$109.21
% Change		*11.9%*	*12.7%*	*8.2%*	*2.9%*	*2.2%*	*3.7%*
Index (RGI)	104.4	101.4	103.7	108.5	101.1	101.9	103.0

Competitive set includes: Competitive set includes: Red Lion Hotel Anaheim (308 rooms), Best Western Plus Stovall's Inn (289 rooms), Howard Johnson Anaheim Hotel & Water Playground (303 rooms), Clarion Hotel Anaheim Resort (284 rooms), Four Points by Sheraton Anaheim (246 rooms), Fairfield Inn Anaheim Resort (467 rooms), Hotel Indigo Anaheim Maingate (104 rooms), Hilton Garden Inn Anaheim Garden Grove (169 rooms), Portofino Inn & Suites Anaheim (190 rooms), Holiday Inn Anaheim Resort Area (264 rooms).

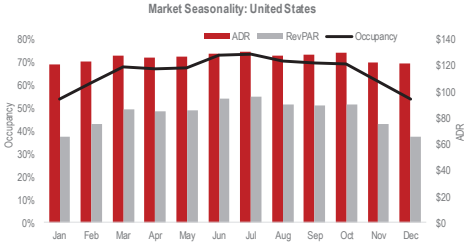
Source: Smith Travel Research

Demand Seasonality

We have estimated the seasonality of demand in the Subject Hotel's market based upon the performance of all upper midscale, branded hotels in the Anaheim/Santa Ana lodging market. As shown in the following charts, upper midscale, branded hotels in the Anaheim/Santa Ana lodging market are not subject to seasonal demand patterns that are significantly more pronounced than those generally experienced by hotels in the United States. Typically, RevPAR in the U.S. declines during the colder winter months, especially in December when the holidays result in a decline in business-related transient and group travel.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Airport Access

John Wayne Airport is located approximately 10.3 miles south southeast of the Subject Site. From the Subject, motorists would take Interstate 5 South, traveling 12.3 miles southward to California State Route 55 South to arrive at the airport. The subject hotel is also served by Long Beach Airport, which is approximately 12.8 miles west of the subject site.

Regional/Local Access

Primary regional access is provided by Interstate 5, a major thoroughfare that runs directly through the city of Anaheim. Interstate 5 runs north through Los Angeles and south through San Diego, terminating at the border of Mexico. Secondary roadways offer additional connectivity throughout the area. For instance, California State Route 91 (east/west), State Route 57 (north/south), and State Route 55 (extends south) provide enhanced accessibility to and from Anaheim and the surrounding areas.

Public Transportation

Public transportation in Anaheim is facilitated by a robust network of railways and buses. The Anaheim Regional Transportation Intermodal Center ("ARTIC") is located proximate to Angel Stadium, and serves as a regional hub for Amtrak, Metrolink, and several bus lines. In addition to operating local Metrolink stations, Orange County Transportation Authority ("OCTA") offers extensive bus services throughout Orange County. Los Angeles County Metro also provides connecting bus routes to Anaheim. Additionally, Anaheim Resort Transit ("ART") operates shuttles, providing enhanced access to Anaheim resorts and theme parks.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

Holiday Inn Hotel & Suites Anaheim	
Attraction	**Distance to Subject**
Disneyland Resort & Area Theme Parks	0.3 Mi.
Anaheim Packing District	1.4 Mi.
Angela Stadium of Anaheim	2.8 Mi.
Honda Center	3.0 Mi.
Anaheim Convention Center	1.2 Mi.
City National Grove of Anaheim	2.6 Mi.
Anaheim Ice	1.4 Mi.
Muzeo Museum and Cultural Center	1.4 Mi.
Anaheim GardenWalk	1.2 Mi.
Bowers Museum	4.9 Mi.

Convention Center

The Anaheim Convention Center, located 1.3 miles from the Subject Hotel, is situated across from the Disneyland Resort on Katella Avenue in Anaheim, California. The center originally opened in July of 1967 for a total construction cost of $15 million.

Since opening, the venue has undergone six renovations/expansions, with the last update completed in 2017. The convention center now boasts 1.6 million square feet of space, making it the largest exhibit facility on the west coast.

Community/Infrastructure Development

Anaheim community and infrastructure improvements include:

- Disney Resorts currently working to introduce Star Wars lands in 2019.
- In terms of transportation, OCTA is currently receiving bids to move forward with the Anaheim Canyon Metrolink Station Improvement Project. The project calls for the construction of new tracks, new control points, an extension of the existing platform, a new second platform, a western retaining wall, and ADA compliant access points.
- In early 2018, an Interstate 405 expansion in Orange County began. The $1.9 billion expansion runs 16 miles between Costa Mesa and the Los Angeles County line. The project is slated for completion in 2023.

SWOT Analysis

Strengths	Weaknesses
• Proximity to area theme parks and convention center, walking distance to downtown Disney • 1.3 miles from Anaheim Convention Centre which is the largest exhibit facility on the west coast • 2.0 miles from Downtown Anaheim • Fireworks view from Disneyland • Splash park on site • Disney-themed suites • Disneyland in California is the second most visited theme park in the world with over 18 million visitors in 2017 • Listed on Disneyland's "Good Neighbor" Hotels • Proximity to Honda Center • Immediate accessibility to I-5	• Primary focus on leisure demand base which is dependent on economy and discretionary spending patterns
Opportunities	**Threats**
• Increased demand with the addition of Star Wars Land • Newly renovated convention center	• Supply growth in the market may impact RevPAR growth potential to some extent

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The Disneyland submarket in which the Subject Hotel is located is primarily known for its namesake Disneyland Resort, which achieved approximately 18.3 million visitors in 2017, making it the second most visited amusement park in the world after Orlando's Magic Kingdom. Additionally, the submarket is proximate to the Anaheim Convention Center, which drives significant group lodging demand in the area.

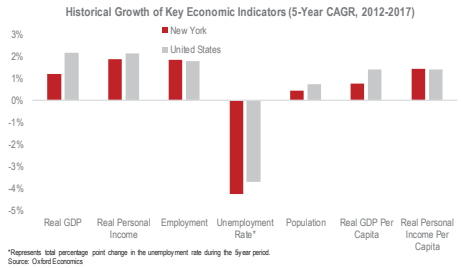
Los Angeles (MSA rank: #2)
Cal State Fullerton
Kimberly Clark
Kaiser Permanente
Disneyland
Honda Center
Anaheim Convention Center
Angel Stadium of Anaheim
Crystal Cathedral
Chapman University
US District Court
Legend

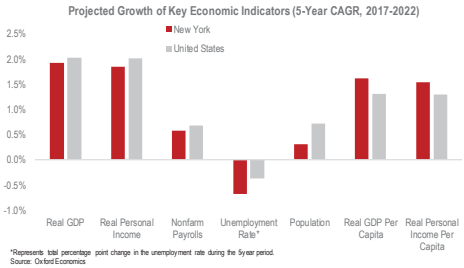
6.6 New York-Newark-Jersey City Metropolitan Statistical Area

The subject portfolio includes two hotels in the vicinity of the New York-Newark-Jersey City metropolitan statistical area, namely the 238-room Crowne Plaza Danbury and the 312-room Renaissance Woodbridge.[22]

6.6.1 Economic Overview

The New York-Newark-Jersey City metropolitan statistical area ("New York" or "New York metropolitan area") has experienced stronger employment and personal income per capita growth than the United States from 2012 - 2017, but the metropolitan area has experienced moderately weaker real GDP growth due to lower population and productivity growth. Specifically, real GDP growth in New York averaged 1.2% from 2012 - 2017 compared to 2.2% for the U.S., while the metropolitan area's unemployment rate declined 4.3 percentage points compared to 3.7 percentage points for the nation. Population and productivity growth in New York have been constrained by their high base levels and soft growth in the financial sector to some extent. However, according to projections from Oxford Economics for 2017 - 2022, economic growth in New York is expected to be generally in line with the national average. Real GDP growth is projected to average 1.9% per year in New York compared to 2.0% for the U.S. as relatively strong productivity growth is expected to counterbalance the region's relatively low rate of population growth. With more than 20.3 million people in 2017, the New York metropolitan area is still the most populous in the United States by a wide margin.





6.6.2 Industry Composition and Key Corporate Demand Drivers

The Education & Health Services sector and the Trade, Transportation & Utilities sector provide the largest share of employment in both the New York-Newark-Jersey City metropolitan statistical area and the nation. The metropolitan area has the largest population and gross domestic product in the United States by a large margin, providing significant demand for its world-class health and educational institutions. Additionally, the metropolitan area offers the largest port complex on the U.S. East Coast and the second largest in the nation, and it benefits from three major airports, including LaGuardia Airport, Newark Liberty International Airport, and John F. Kennedy International Airport, the sixth busiest airport in the U.S. The region's extensive transportation infrastructure and large, economically productive population allow for a strong Trade, Transportation & Utilities sector. The table below summarizes the share of employment by sector in the New York-Newark-Jersey City metropolitan statistical area in comparison to the national average:

[22] The Crowne Plaza Danbury is technically located within the adjacent Bridgeport-Stamford-Norwalk metropolitan statistical area, which is significantly smaller in terms of economic output than the New York-Newark-Jersey City metropolitan statistical area. Given the predominance of the New York-Newark-Jersey City metropolitan statistical area in the regional economy and the Crowne Plaza Danbury's close proximity to New York, NY, we have focused on growth trends in the New York-Newark-Jersey City metropolitan statistical area in our analysis.

Share of Employment by Industry (2017)		
Sector	New York-Newark-Jersey City, NY-NJ-PA	United States
Education & Health Services	20%	16%
Trade, Transportation & Utilities	18%	19%
Professional & Business Services	16%	14%
Government	13%	15%
Leisure & Hospitality	9%	11%
Financial Activities	8%	6%
Other Services	4%	4%
Natural Resources, Minining & Construction	4%	5%
Manufacturing	4%	8%
Information	3%	2%
Total	100%	100%

Source: U.S. Bureau of Labor Statistics, Moody's Analytics, JLL

The New York-Newark-Jersey City metropolitan statistical area is also widely known as the epicenter of the U.S. financial services industry given the presence of Wall Street within its boundaries. As a result, JP Morgan Chase, Bank of America, Citigroup, and Morgan Stanley rank among the region's largest employers along with its large hospital and educational institutions. The largest companies in the New York-Newark-Jersey City metropolitan statistical area are summarized in the following table:

Major Employers: New York-Jersey City-White Plains, NY-NJ Metropolitan Division		
Rank	Employer	Employees
1	Montefiore Health System	32,232
2	Mount Sinai Health System	32,074
3	JPMorgan Chase & Co.	29,000
4	Bank of America	27,000
5	Newark International Airport	24,000
6	New York-Presbyterian Healthcare System	23,709
7	NYU Langone Medical Center	23,491
8	Macy's Inc.	22,100
9	Verizon Communications	34,000
10	Columbia University	16,136
11	Citigroup Inc.	15,878
12	Univ. of Medicine and Dentistry of New Jersey	15,759
13	Morgan Stanley	15,380
14	Memorial Sloan-Kettering Cancer Center	14,908
15	City University of New York	13,777
16	NJ Transit	11,500
17	PwC	11,429
18	Staffing Alternatives	11,382
19	United Airlines Inc.	11,000
20	Delta Air Lines Inc.	10,851

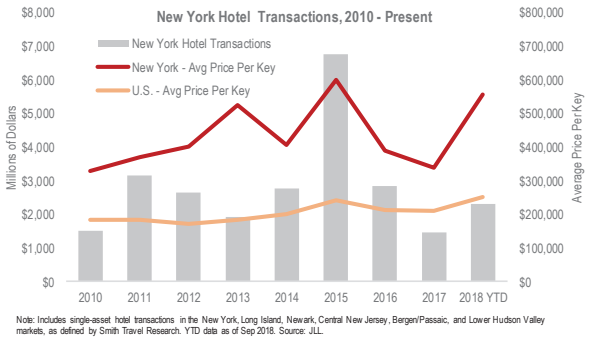
Source: Oxford Economics, JLL

6.6.3 Hotel Investment Overview

Hotel transactions totaling approximately $25.4 billion have occurred in the New York City and adjacent suburban lodging markets since 2010, making it the most liquid lodging market in the U.S. by a wide margin.[23] Hotel sales volume in the New York City and immediately adjacent suburban lodging markets have generally ranged from approximately $2.0 billion to $3.0 billion per year, though transactions surged to $6.8 billion in 2015 due to several high-profile transactions involving significant foreign capital. Surveying hotel transactions in the market since 2015, New York's average capitalization rate amounts to 6.0%, compared to 7.4% for transactions nationwide, and its average sales price is approximately $495,000 per key, compared to $228,000 per key for the U.S. Given New York's high

[23] We have combined the lodging markets that principally comprise the New York-Newark-Jersey metropolitan statistical area, namely the New York, Newark, Central New Jersey, Bergen/Passaic, Lower Hudson Valley, and Long Island lodging markets.

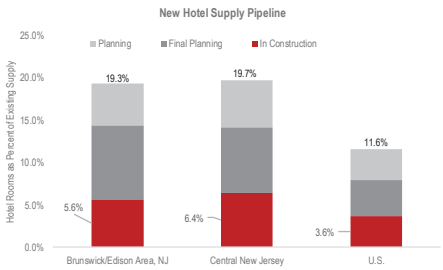
barriers to entry and considering that it features the highest RevPAR and most liquidity in the nation, it commands significant investor interest and the highest pricing among urban markets in the U.S.

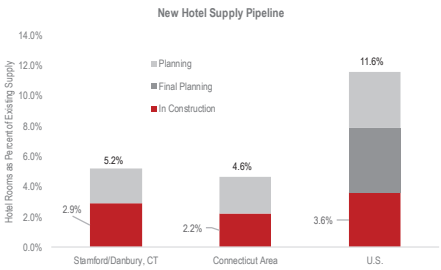


6.6.4 Lodging Market Performance

The New York-Newark-Jersey City metropolitan statistical area includes the New York City lodging market as well as several large suburban lodging markets in the surrounding tri-state area. The Central New Jersey lodging market and the Connecticut Area lodging market are two of the surrounding suburban lodging markets that are relevant to the subject portfolio.

The active new supply pipeline for Central New Jersey is significantly higher than the national average, while the active pipeline for the Connecticut Area is significantly lower than the national average. According to data compiled by Smith Travel Research, Central New Jersey's pipeline amounts to 19.7% of existing rooms inventory, compared to 11.6% for the U.S. The Brunswick/Edison submarket, which contains the subject portfolio's hotel in Central New Jersey, features a similarly sized pipeline. With respect to the Connecticut Area lodging market, its pipeline amounts to 4.6% of existing rooms inventory, and the Stamford/Danbury submarket, which contains the subject portfolio's hotel in Connecticut, has a pipeline of a similar magnitude as shown in the charts below.

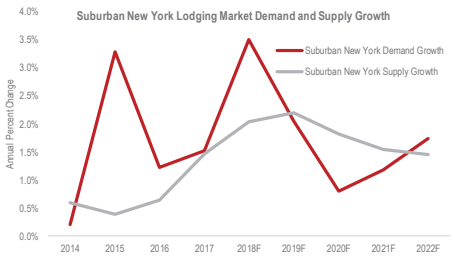




Given their relatively small size, supply and demand growth projections for the suburban lodging markets of Central New Jersey and the Connecticut Area are not produced independently. However, projections are available for the New York City market as well as its largest suburban lodging markets, Long Island and Newark. As shown in the charts below, CBRE projects that demand and supply growth will remain balanced in New York City as high rates of supply growth are counterbalanced by strong demand growth. In the suburban New York markets of Long Island and Newark, demand growth is generally expected to meet or exceed supply growth, though economy-driven demand growth is expected to temporarily dip in 2020. Central New Jersey's elevated pipeline suggests a greater

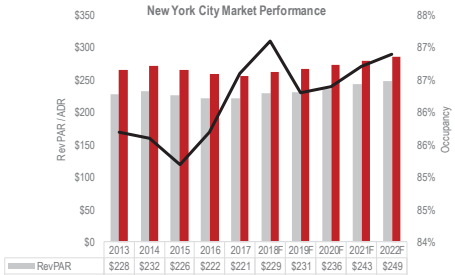
likelihood of larger supply than demand growth, while the Connecticut Area's pipeline suggests the opposite.

Source: Smith Travel Research, CBRE



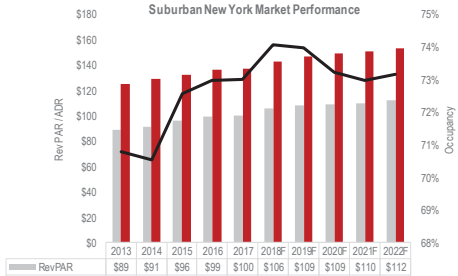
Note: Includes Long Island, NY, and Newark, NJ, lodging markets. Source: Smith Travel Resea

New York City ranked 59th among 60 major lodging markets in RevPAR growth for the period from 2013 to 2017 as supply growth in the market soared and U.S. dollar strength weighed on growth in international visitation to some extent. While RevPAR in New York City declined at an average annual rate of 0.7% during this period, the Long Island and Newark markets realized moderate RevPAR growth of 2.7% and 3.5%, respectively, given their more moderate supply pipelines and greater reliance on domestic demand. However, with supply growth in New York City expected to peak in 2019 and substantially abate thereafter, the New York City market is expected to realize renewed RevPAR growth beginning in 2018. Given a relatively balanced supply and demand outlook for Long Island and Newark, the suburban lodging markets are expected to maintain moderate RevPAR growth during the next few years. Specifically, New York City's RevPAR growth between 2017 and 2022 is expected to average 2.4% annually, ranking 14th among 60 major U.S. lodging markets, while Long Island and Newark are expected to achieve slightly lower RevPAR growth of 2.3% per year according to projections from CBRE. The charts below summarize historical and projected RevPAR growth in the New York City and suburban New York lodging markets as well as their positions on JLL's Property Clock.



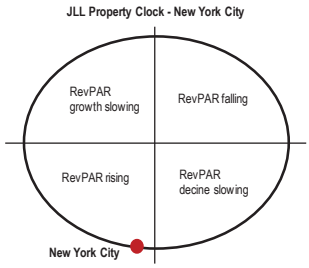
	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$228	$232	$226	$222	$221	$229	$231	$236	$243	$249
RevPAR % Chg		1.9%	-2.5%	-1.9%	-0.3%	3.5%	0.8%	2.2%	2.8%	2.4%
ADR	$266	$271	$265	$259	$255	$263	$268	$273	$280	$286
Occupancy	85.7%	85.6%	85.2%	85.7%	86.6%	87.1%	86.3%	86.4%	86.7%	86.9%

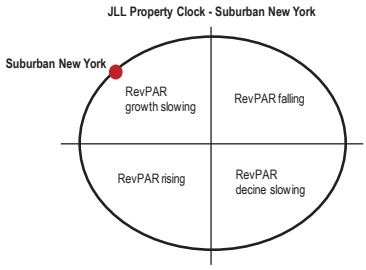
Source: Smith Travel Research, CBRE



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$89	$91	$96	$99	$100	$106	$109	$109	$110	$112
RevPAR % Chg		2.8%	5.4%	3.3%	1.0%	5.2%	2.8%	0.7%	0.8%	2.0%
ADR	$126	$130	$133	$136	$138	$143	$147	$149	$151	$154
Occupancy	70.8%	70.5%	72.6%	73.0%	73.0%	74.1%	74.0%	73.2%	73.0%	73.2%

Note: Includes Long Island, NY, and Newark, NJ, lodging markets. Source: Smith Travel Research, CBRE, JLL calculations.





6.6.5 Crowne Plaza Danbury: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of the Crowne Plaza Danbury ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. The Crowne Plaza Danbury is among two hotels in the subject portfolio that are located in the vicinity of the New York-Newark-Jersey City metropolitan statistical area.[24]

Location Description

The Subject Hotel is situated at 18 Old Ridgebury Road in the City of Danbury, in Fairfield County, Connecticut. The hotel is approximately 2.0 miles west northwest of the intersection formed by Interstate 84 and U.S. Highway 7. It is located immediately adjacent to Interstate 84 and east of Old Ridgebury Road approximately 1.4 miles from the Connecticut/New York State border.

Access to the site is granted via Old Ridgebury Road which runs north/south along the west perimeter of the site. The site is bordered by Interstate 84 (on-ramp immediately adjacent) to the North; vacant land, followed by residential to the East; a storage facility and commercial land to the South; and Old Ridgebury Road to the West.

The Subject's location is considered good, given its immediate proximity to Interstate 84, corporate headquarters and office parks, medical facilities, and leisure demand generators. The Subject Site is located approximately 50.0 miles north northeast of Manhattan, 23.7 miles north of Stamford, and 3.1 miles west of Downtown Danbury.

Market Positioning

The Subject Hotel is located within the Stamford/Danbury tract within the greater Connecticut lodging market, according to STR. This tract is comprised of 9,088 rooms across a total of 79 hotels. Of the rooms supply, approximately 37.4% are within the upscale class, followed by 25.5% within the upper upscale class, and 12.3% within the economy class. The Subject Hotel is a full-service hotel that falls within the upscale class. In this submarket, the greatest room shares are attributed to Marriott International hotels, Independent hotels, Hilton Worldwide hotels, Intercontinental Hotels Group

[24] The Crowne Plaza Danbury is technically located within the adjacent Bridgeport-Stamford-Norwalk metropolitan statistical area, which is significantly smaller in terms of economic output than the New York-Newark-Jersey City metropolitan area. Given the predominance of the New York-Newark-Jersey City metropolitan statistical area in the regional economy and the Crowne Plaza Danbury's close proximity to New York, NY, we have focused on growth trends in the New York-Newark-Jersey City metropolitan statistical area in our analysis.

hotels, and Wyndham Worldwide hotels, respectively. The Subject belongs to the Intercontinental Hotels Group family of brands, which account for 13.2% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

In the table below, we have summarized the historical Occupancy, ADR, and RevPAR performance of the Subject Hotel relative to its competitive set. The Subject Hotel realized average annual RevPAR growth 11.2% between 2012 and 2018, compared to 2.8% for its competitive set. As a result, its RevPAR Index has improved from approximately 49% in 2012 to 79% in 2018.

Competitive Set Performance

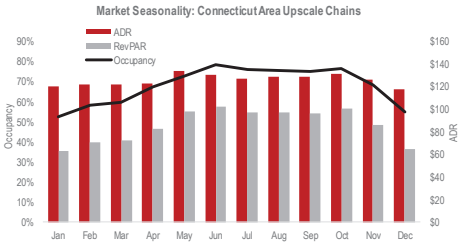
Occupancy	2012	2013	2014	2015	2016	2017	2018
Crowne Plaza Danbury	36.6%	44.7%	46.4%	50.0%	68.4%	58.9%	65.4%
% Change		*22.1%*	*3.8%*	*7.8%*	*36.8%*	*-13.8%*	*11.0%*
Competitive Set	63.0%	60.2%	62.2%	66.6%	65.5%	61.1%	66.3%
% Change		*-4.4%*	*3.3%*	*7.1%*	*-1.7%*	*-6.7%*	*8.5%*
Index (MPI)	58.1	74.3	74.6	75.1	104.4	96.4	98.6
Average Daily Rate (USD)							
Crowne Plaza Danbury	$90.21	$98.00	$97.47	$96.43	$92.34	$93.27	$95.25
% Change		*8.6%*	*-0.5%*	*-1.1%*	*-4.2%*	*1.0%*	*2.1%*
Competitive Set	$106.48	$108.62	$111.68	$113.47	$118.90	$118.13	$119.20
% Change		*2.0%*	*2.8%*	*1.6%*	*4.8%*	*-0.7%*	*0.9%*
Index (ARI)	84.7	90.2	87.3	85.0	77.7	79.0	79.9
RevPAR (USD)							
Crowne Plaza Danbury	$33.02	$43.81	$45.23	$48.22	$63.16	$54.96	$62.28
% Change		*32.7%*	*3.2%*	*6.6%*	*31.0%*	*-13.0%*	*13.3%*
Competitive Set	$67.08	$65.39	$69.46	$75.57	$77.88	$72.18	$79.01
% Change		*-2.5%*	*6.2%*	*8.8%*	*3.1%*	*-7.3%*	*9.5%*
Index (RGI)	49.2	67.0	65.1	63.8	81.1	76.1	78.8

Competitive set includes: Holiday Inn Danbury Bethel @ I 84 (112 rooms), Hampton Inn Danbury (116 rooms), The Ethan Allen Hotel (193 rooms), Hilton Garden Inn Danbury (158 rooms), Courtyard Danbury (124 rooms), Springhill Suites Danbury (106 rooms).

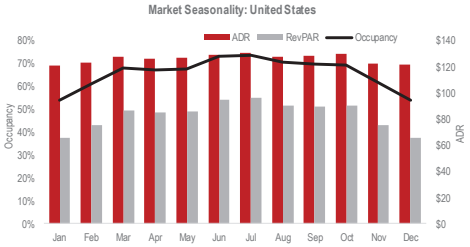
Source: Smith Travel Research

Demand Seasonality

We have estimated the seasonality of demand in the Subject Hotel's market based upon the performance of all upscale, branded hotels in the Connecticut Area lodging market. As shown in the following charts, upscale, branded hotels in the Connecticut Area lodging market are not subject to seasonal demand patterns that are significantly more pronounced than those generally experienced by hotels in the United States. Typically, RevPAR in the U.S. declines during the colder winter months, especially in December when the holidays result in a decline in business-related transient and group travel.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Airport Access

Westchester County Airport is located approximately 25.0 miles southwest of the Subject Site. From the Subject, motorists would take Interstate 84 west to Interstate 684 South, traveling another 28.2 miles to Airport Road.

Regional/Local Access

Primary regional access is provided by Interstate 84, a major thoroughfare that runs directly through the city of Danbury, Connecticut. Interstate 84 runs northeast toward Hartford and west through Upstate New York before continuing into the state of Pennsylvania. Secondary roadways offer additional connectivity throughout the area. For instance, US Route 6 (east/west), 7 (north/south), US Route 202 (north/south), and several Connecticut State Routes provide enhanced accessibility to and from Danbury and the surrounding areas.

Public Transportation

Housatonic Area Regional Transit ("HARTransit") operates buses through Danbury, Connecticut and the surrounding areas. HARTransit currently operates 7 fixed routes through Danbury. In addition, the Route 7 Link bus line runs between Danbury, Norwalk, and surrounding communities. Shuttles are also available between Danbury and Brewster Metro-North Railroad station, which provides access to New York City's Grand Central Terminal via the Harlem Line.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

Crowne Plaza Danbury	
Attraction	**Distance to Subject**
Tarrywile Park & Mansion	3.6 mi.
Danbury Railway Museum	3.4 mi.
Danbury Fair Mall	1.8 mi.
Shelter Rock Winery	4.3 mi.
Military Museum of Southern New England	2.5 mi.
Bear Mountain Reservation	4.7 mi.
Danbury Ice Arena	3.4 mi.
Ives Concert Park	1.0 mi.
Blue Jay Orchards	7.1 mi.
Danbury Sports Dome	4.7 mi.

Convention Center

The Connecticut Convention Center is located nearly 50.0 miles northeast of the Subject Property in Downtown Hartford, Connecticut. The center is situated on the west bank of the Connecticut River, adjacent to Interstate 91. The center originally opened in 2005, debuting as the largest convention center between New York City and Boston, Massachusetts.

The convention center offers 140,000 square feet of exhibit space, 25,000 square feet of meeting space, and a 40,000-square-foot ballroom.

SWOT Analysis

Strengths	Weaknesses
• Central location between Hartford, CT and Westchester County, NY • Proximity to area transport and connectivity to NYC trains • Location convenient to corporate demand generators/business parks along I-84 corridor • Immediately adjacent to I-84 and US Highway 202 • Visible from I-84 • Largest conference center hotel in Fairfield County, CT and Putnam County, NY. Over 26,000 square feet of flexible venues set the stage for successful meetings, banquets and corporate events.	• Less well-located in relation to substantial leisure demand generators
Opportunities	**Threats**
• Negotiate contracts with area schools and businesses which are good and stable sources of demand?	• Urban revitalization in the U.S. is decreasing the relative attractiveness of surrounding suburban areas to both potential corporate tenants and residents

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The Danbury area of the Connecticut Area submarket in which the Subject Hotel is located is primarily known for its suburban office and retail developments and as the home of Western Connecticut State University. It is also recognized for its bucolic atmosphere and outdoor recreation opportunities as well as for its proximity to New York City, which is located approximately 70 miles south of Danbury.

New York (MSA rank #1)
Bear Mountain Recreation
Danbury Fair Mall
Danbury Sports Dome
Danbury Ice Arena
Western Connecticut State University
Danbury Hospital
Ridgefield Playhouse
Legend
Subject Property
Shopping
Office
Attractions
Size

6.6.6 Renaissance Woodbridge: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of the Renaissance Woodbridge ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. The Renaissance Woodbridge is among two hotels in the subject portfolio that are located in the vicinity of the New York-Newark-Jersey City metropolitan statistical area.

Location Description

The Subject Hotel is situated at 515 US Highway 1 South in the community of Iselin, Woodbridge Township, in Middlesex County, New Jersey. The hotel is approximately 1.3 miles directly north of the intersection formed by Interstate 95 and the Garden State Parkway. It is located along the north side of US Highway 1, immediately west of Gill Lane, and diagonally west of the Woodbridge Center shopping mall.

Access to the site is granted via US Highway 1 which runs northeast/southwest along the southeast perimeter of the site. The site is bordered by residential to the North; Gill Lane, followed by Buffalo Wild Wings and Best Buy to the East; Kona Grill, KFC, and US Highway 1, followed by Beth Israel Cemetery/Woodbridge Memorial Park to the South; and Hobby Lobby and residential to the West.

The Subject's location is considered excellent, given its proximity to Rutgers University, retail establishments, pharmaceutical companies, and other corporate demand generators. The Subject Site is located 14.0 miles to central Newark, 8.5 miles to Rutgers-New Brunswick, and 3.0 miles to the New York State border.

Market Positioning

The Subject Hotel is located within the Brunswick/Edison Area tract within the greater Central New Jersey lodging market, according to STR. This tract is comprised of 7,383 rooms across a total of 64 hotels. Of the rooms supply, approximately 32.2% are within the economy class, followed by 23.4% within the upper upscale class, and 21.3% within the upper midscale class. The Subject Hotel is a full-service hotel that falls within the upper upscale class. In this submarket, the greatest room shares are attributed to Independent hotels, Hilton Worldwide hotels, Marriott International hotels, Intercontinental Hotels Group hotels, and Choice Hotels International hotels, respectively. The Subject belongs to the Marriott International family of brands, which account for 14.1% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

In the table below, we have summarized the historical Occupancy, ADR, and RevPAR performance of the Subject Hotel relative to its competitive set. The Subject Hotel realized average annual RevPAR growth 1.4% between 2014 and 2018, compared to average annual RevPAR growth of 0.6% for its competitive set. As a result, its RevPAR Index has improved from approximately 118% in 2014 to 124% in 2018.

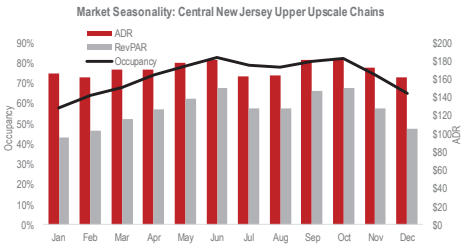
Competitive Set Performance					
Occupancy	**2014**	**2015**	**2016**	**2017**	**2018**
Renaissance Woodbridge Hotel	73.6%	72.6%	72.7%	79.9%	79.8%
% Change		*-1.4%*	*0.1%*	*9.9%*	*-0.1%*
Competitive Set	71.2%	72.0%	67.2%	69.5%	70.4%
% Change		*1.1%*	*-6.7%*	*3.4%*	*1.2%*
Index (MPI)	103.4	100.8	108.2	115.0	113.4
Average Daily Rate (USD)					
Renaissance Woodbridge Hotel	$136.47	$138.38	$137.10	$134.11	$137.13
% Change		*1.4%*	*-0.9%*	*-2.2%*	*2.2%*
Competitive Set	$119.29	$120.48	$124.51	$121.91	$125.18
% Change		*1.0%*	*3.3%*	*-2.1%*	*2.7%*
Index (ARI)	114.4	114.9	110.1	110.0	109.5
RevPAR (USD)					
Renaissance Woodbridge Hotel	$100.48	$100.46	$99.67	$107.15	$109.42
% Change		*0.0%*	*-0.8%*	*7.5%*	*2.1%*
Competitive Set	$84.95	$86.75	$83.67	$84.73	$88.07
% Change		*2.1%*	*-3.5%*	*1.3%*	*3.9%*
Index (RGI)	118.3	115.8	119.1	126.5	124.2

Competitive set includes: Hyatt Regency New Brunswick (288 rooms), APA Hotel Woodbridge (196 rooms), Crowne Plaza Edison (169 rooms), Sheraton Hotel Edison Raritan Center (276 rooms), Hilton East Brunswick & Executive Meeting Center (393 rooms), Heldrich Hotel & Conference Center (235 rooms).

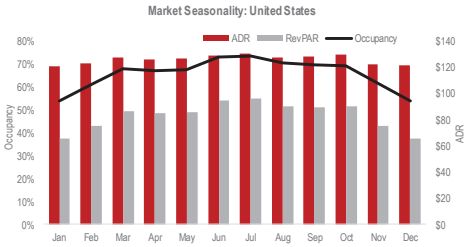
Source: Smith Travel Research

Demand Seasonality

We have estimated the seasonality of demand in the Subject Hotel's market based upon the performance of all upper upscale, branded hotels in the Central New Jersey lodging market. As shown in the following charts, upper upscale, branded hotels in the Central New Jersey lodging market are not subject to seasonal demand patterns that are significantly more pronounced than those generally experienced by hotels in the United States. Typically, RevPAR in the U.S. declines during the colder winter months, especially in December when the holidays result in a decline in business-related transient and group travel as well.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Airport Access

Newark Liberty International Airport is located approximately 11.7 miles northeast of the Subject Site. From the Subject, motorists would take US Highway 9 North continuing onto New Jersey State Route 81 for a total of 12.2 miles toward the airport.

Regional/Local Access

Primary regional access is provided by Interstate 95, a major thoroughfare that runs through the Woodbridge Township area. Interstate 95 runs the length of the eastern seaboard from Florida to Maine; in the tri-state area, I-95 is a toll road that runs along much of the New Jersey Turnpike. Secondary roadways offer additional connectivity throughout the area. For instance, Interstate 287 runs from its southern terminus at Interstate 95 in Edison, New Jersey northward to Interstate 95 in Rye, New York, following a C-shaped route. Several alternative routes, such as US Highway 1 (north/south), and US Highway 9/Garden State Parkway (north/south) and several New Jersey State Routes provide enhanced accessibility to and from Woodbridge Township and the surrounding areas.

Public Transportation

The New Jersey Transit ("NJ Transit") operates a relatively modest system in the area that offers commuter train service, which provides access via the North Jersey Coast Line, which runs from Hoboken and New York City to Bay Head, New Jersey. Amtrak service is also available from Metropark station in Iselin to Newark, New Jersey, New York City, Philadelphia, Washington D.C., and Boston. NJ Transit also offers bus service locally, to nearby Elizabeth, and to Midtown Manhattan.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

Renaissance Woodbridge Hotel	
Attraction	**Distance to Subject**
Roosevelt Park	1.8 Mi.
Thomas Edison Museum	1.5 Mi.
Thomas Edison Center at Menlo Park	1.5 Mi.
Merrill Park	1.5 Mi.
Edison Tower	1.5 Mi.
Woodbridge Center	0.7 Mi.
Altitude Trampoline Park	0.8 Mi.
Union County Performing Arts Center	4.1 Mi.
Topgolf	3.9 Mi.
Fords Park	1.6 Mi.

Convention Center

The New Jersey Convention and Exposition Center is located 5.1 miles southwest of the Subject Hotel, in nearby Edison, New Jersey. The center is situated along the north bank of the Raritan River, directly south of the intersection formed by Interstates 95 and 287. The convention center currently features a total of 155,000 square feet, including 135,500 square feet of exhibit space, and 14,500 square feet of meeting space.

Alternatively, the Jacob K. Javits Convention Center in the Hell's Kitchen neighborhood of New York City is located 21.3 miles northeast of the Subject Hotel. The center was opened in 1986 and has a total of 1.8 million square feet of space, including 840,000 square feet of exhibit space. The center was last renovated in 2014 at a cost of $460 million. With another 1.2 million square-foot expansion underway at the center's northern end, the Javits Center will contain approximately 3.3 million total square feet of space by 2021.

SWOT Analysis

Strengths	Weaknesses
• Location at the intersections of Garden State Parkway and US Highway 1, and proximity to Interstate 95/New Jersey Turnpike • Immediately opposite Woodbridge Center Mall; several dining options in the vicinity • Within twelve miles of Newark Liberty International Airport • Proximity to Rutgers University facilities (which is the largest and most comprehensive higher education institution in the state of New Jersey with enrolment of approximately 69 ,000), pharmaceutical companies, and other corporate demand generators • Robust meeting facilities	• Suburban location • Lack of direct public transportation and connectivity to points of interest within the region, apart from NYC
Opportunities	**Threats**
• Lack of significant, meeting and convention space in area provides opportunity for the property to capture such demand • Enhance Meeting and Events business at the property	• Urban revitalization in the U.S. is decreasing the relative attractiveness of surrounding suburban areas to both potential corporate tenants and residents, though the Woodbridge area is expected to be insulated from this trend to some degree given especially high living and business costs in New York City • Supply growth in the market may negatively impact RevPAR growth potential to some extent

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The Woodbridge area of the Central New Jersey submarket in which the Subject Hotel is located is primarily known for its suburban office and retail developments including the Woodbridge Center, which contains approximately 200 retail and dining establishments. It is also recognized for its proximity to Newark Liberty International Airport and New York City. Lower Manhattan is approximately a 30-mile drive from Woodbridge, NJ.

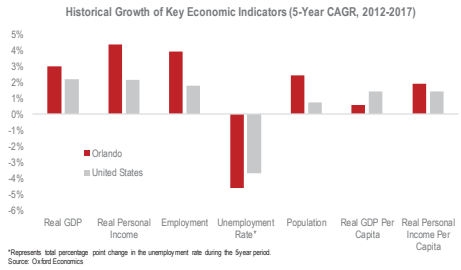
New York (MSA rank: #1)
Legend

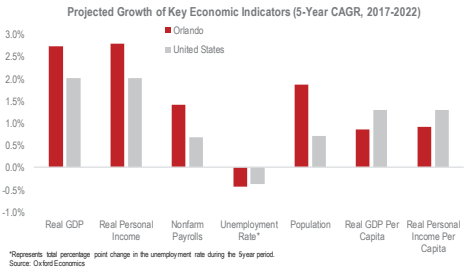
6.7 Orlando-Kissimmee-Sanford Metropolitan Statistical Area

The subject portfolio includes one hotel in the Orlando-Kissimmee-Sanford metropolitan statistical area, namely the 777-room Holiday Inn Resort Orlando Suites Waterpark.

6.7.1 Economic Overview

The Orlando-Kissimmee-Sanford metropolitan statistical area ("Orlando" or "Orlando metropolitan area") has achieved stronger economic growth, as measured by a range of economic indicators, than the United States from 2012 - 2017, and this trend is generally expected to continue during the next five years according to projections from Oxford Economics. From 2012 - 2017, real GDP growth averaged 3.0% per year compared to 2.2% for the U.S. and the unemployment rate declined 4.6 percentage points compared to 3.7 percentage points for the U.S. Strong population and personal income growth primarily contributed to Orlando's high real GDP growth rate. From 2017 – 2022, robust population growth is primarily expected to drive real GDP growth of 2.7% per year, compared to 2.0% per year for the U.S.





6.7.2 Industry Composition and Key Corporate Demand Drivers

The Leisure & Hospitality sector and the Trade, Transportation & Utilities sector provide the largest share of employment in the Orlando-Kissimmee-Sanford metropolitan statistical area, and in the case of the Leisure & Hospitality sector, its share of employment in the metropolitan area is significantly larger than the national average. Orlando does not rank among the top-20 metropolitan areas by population or gross domestic product, but its world-renowned tourist attractions, warm Florida climate, and excellent accessibility via Orlando International Airport, the eleventh busiest airport in the United States, attracted 72 million visitors to the metropolitan area in 2017, making it the most popular tourist destination in the U.S. according to Visit Orlando.[25] The table below summarizes the share of employment by sector in the Orlando-Kissimmee-Sanford metropolitan statistical area in comparison to the national average:

[25] By comparison, approximately 63 million people visited New York City in 2017, and approximately 42 million people visited Las Vegas in 2017 according to data reported by the Orlando Sentinel: https://www.orlandosentinel.com/business/tourism/os-bz-visit-orlando-tourism-2017-story.html.

Share of Employment by Industry (2017)		
Sector	Orlando-Kissimmee-Sanford, FL	United States
Leisure & Hospitality	21%	11%
Trade, Transportation & Utilities	19%	19%
Professional & Business Services	18%	14%
Education & Health Services	12%	16%
Government	10%	15%
Financial Activities	6%	6%
Natural Resources, Minining & Construction	6%	5%
Manufacturing	4%	8%
Other Services	4%	4%
Information	2%	2%
Total	100%	100%

Source: U.S. Bureau of Labor Statistics, Moody's Analytics, JLL

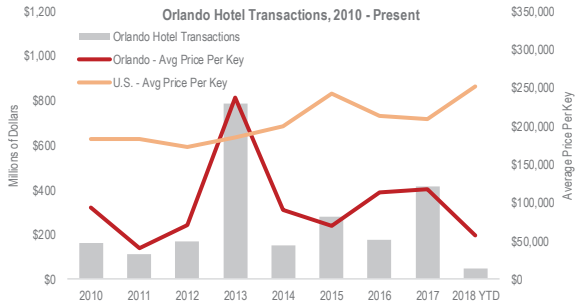
Given the Orlando-Kissimmee-Sanford metropolitan statistical area's status as the top tourist destination in the U.S., hospitality companies and entertainment venues feature prominently among the largest employers in the region. Walt Disney World Resort and Universal Orlando are its the largest employers with approximately 74,000 employees and 21,000 employees, respectively, as shown in the following table:

Major Employers: Orlando-Kissimmee-Sanford, FL Metropolitan Statistical Area		
Rank	Employer	Employees
1	Walt Disney World Resort	74,000
2	Universal Orlando (Comcast)	21,000
3	Adventist Health System/Florida Hospital	20,413
4	Publix Super Markets Inc.	19,783
5	Orlando International Airport	18,000
6	Orlando Health	16,828
7	University of Central Florida	11,833
8	Lockheed Martin	7,000
9	Darden Restaurants	6,149
10	SeaWorld Parks & Entertainment	6,032
11	Rosen Hotels & Resorts	4,526
12	Siemens	4,448
13	Wal-Mart Stores Inc.	4,016
14	Westgate Resorts	3,992
15	Wyndham Vacation Ownership	3,509
16	Valencia College	3,449
17	Hilton Grand Vacations Club	3,078
18	AT&T Mobility	3,063
19	JP Morgan Chase	3,053
20	Bright House Networks	3,000

Source: Oxford Economics, JLL

6.7.3 Hotel Investment Overview

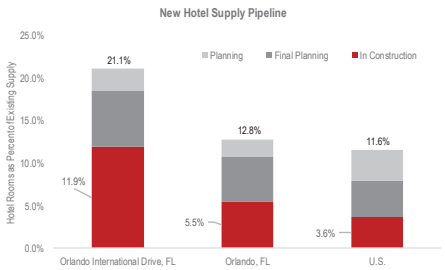
Hotel transactions totaling approximately $2.3 billion have occurred in the Orlando lodging market since 2010, making it among the fifteen most liquid lodging markets in the U.S. In 2017, hotel sales volume in Orlando rose to $414 million, the highest level in recent years with the exception of 2013, when hotel sales volume soared to $786 million. Surveying hotel transactions in the market since 2015, Orlando's average capitalization rate amounts to 6.4%, compared to 7.4% for transactions nationwide, and its average sales price is approximately $92,000 per key, compared to $228,000 per key for the U.S. Notably, there have been relatively few transactions for which cap rate data are available in Orlando during recent years, and therefore, the average cap rate for these transactions may not be representative of investor expectations for most assets in the market.

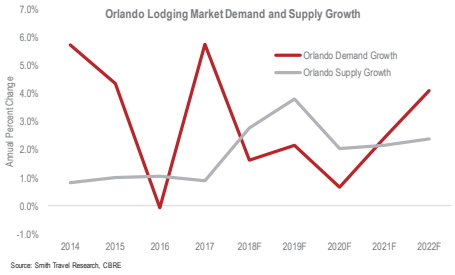


Note: Includes single-asset hotel transactions in the Orlando, FL, market, as defined by Smith Travel Research. YTD data as of Sep 2018. Source: JLL.

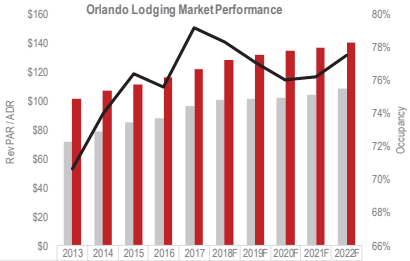
6.7.4 Lodging Market Performance

The active new supply pipeline for the Orlando lodging market, which includes hotel rooms in the planning, final planning, and construction stages, is slightly higher than the national average. According to data compiled by Smith Travel Research, the Orlando lodging market's pipeline amounts to 12.8% of existing rooms inventory, compared to 11.6% for the U.S. The supply pipeline can vary significantly by submarket, however, and the submarket in which the subject portfolio's only Orlando area hotel is located, the Orlando International Drive submarket, features a noticeably larger active pipeline, as shown in the first chart below. Considering Orlando's supply pipeline as well as expectations for decelerating real GDP growth, supply growth is expected to temporarily outpace demand growth in the Orlando lodging market during the next few years according to projections from CBRE. In the case of the Orlando International Drive submarket, supply growth may outpace demand growth by a wider margin given its materially larger pipeline.



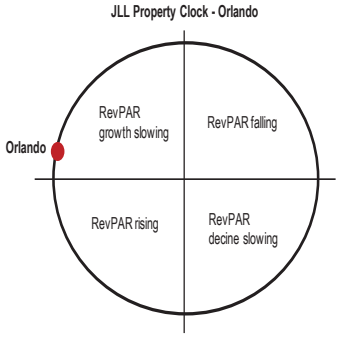


The Orlando lodging market realized average annual RevPAR growth between 2013 and 2017 of 7.7%, ranking 11th among 60 major U.S. lodging markets for which we have available data. Given the expectation that supply growth will outpace demand growth during the next few years, the market's occupancy is expected to decline slightly from approximately 79% in 2017 to 76% by 2021, while ADR growth is expected to moderate from 5.7% in 2018 to 1.5% by 2021 as the market's new supply is absorbed. As a result, RevPAR growth between 2017 and 2022 is expected to average 2.4% annually, ranking 12th among 60 major U.S. lodging markets according to projections from CBRE. The charts below summarize historical and projected RevPAR growth in the Orlando market as well as Orlando's position on JLL's Property Clock.



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$72	$79	$85	$88	$96	$101	$102	$102	$104	$109
RevPAR % Chg		10.3%	7.5%	3.2%	9.9%	4.5%	1.1%	0.7%	1.8%	4.2%
ADR	$102	$107	$111	$116	$122	$129	$132	$135	$137	$140
Occcupancy	70.6%	74.0%	76.4%	75.6%	79.2%	78.3%	77.1%	76.0%	76.2%	77.5%

Source: Smith Travel Research, CBRE



6.7.5 Holiday Inn Resort Orlando Suites - Waterpark: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of the Holiday Inn Resort Orlando Suites - Waterpark ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. The Holiday Inn Resort Orlando Suites - Waterpark is the only hotel in the subject portfolio that is located in the Orlando metropolitan area.

Location Description

The Subject Hotel is situated at 14500 Continental Gateway Drive in the City of Orlando, in Orange County, Florida. The hotel is approximately 0.6 mile east southeast of the intersection formed by Florida State Road 536 and Interstate 4. It is located immediately adjacent to Florida State Road 536 and west of Continental Gateway Drive.

Access to the site is granted via Continental Gateway Drive which runs north/south along the east perimeter of the site. The site is bordered by Florida State Road 536 and Orlando Marriott World Center to the North; Continental Gateway Drive and vacant land to the East; International Drive South and vacant land to the South; and vacant land to the West.

The Subject's location is considered very good, given its relatively immediate proximity to the Walt Disney World Resort and other area theme parks, International Drive 360, Orange County Convention Center, and a variety of other leisure and corporate demand generators. The Subject Site is located approximately 3.8 miles southeast of Walt Disney World and 14.8 miles southwest of Central Orlando.

Market Positioning

The Subject Hotel is located within the Orlando International Drive tract within the greater Orlando lodging market, according to STR. This tract is comprised of 46,425 rooms across a total of 131 hotels. Of the rooms supply, approximately 34.5% are within the upscale class, followed by 20.5% within the upper upscale class, and 14.4% within the upper midscale class. The Subject Hotel is a full-service hotel that falls within the upper midscale class. In this submarket, the greatest room shares are attributed to Independent hotels, Hilton Worldwide hotels, Marriott International hotels, Loews Hotels Company hotels, and Intercontinental Hotels Group hotels, respectively. The Subject belongs to the Intercontinental Hotels Group family of brands, which account for 5.8% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

In the table below, we have summarized the historical Occupancy, ADR, and RevPAR performance of the Subject Hotel relative to its competitive set. The Subject Hotel realized an average annual RevPAR decline of -2.2% between 2014 and 2018, mostly due to significant RevPAR declines in 2015 and 2016. Given that the competitive set realized average annual RevPAR growth of 9.3% during this time, the Subject Hotel's RevPAR Index declined from approximately 116% in 2014 to 74% in 2018.

Competitive Set Performance

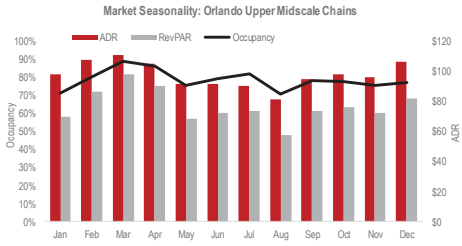
Occupancy	2014	2015	2016	2017	2018
Holiday Inn Resort Orlando Suites Waterpark	58.6%	47.1%	41.1%	61.1%	70.5%
% Change		*-19.5%*	*-12.9%*	*48.7%*	*15.4%*
Competitive Set	74.8%	79.0%	80.3%	84.2%	83.6%
% Change		*5.6%*	*1.6%*	*4.9%*	*-0.6%*
Index (MPI)	78.3	59.7	51.2	72.6	84.3
Average Daily Rate (USD)					
Holiday Inn Resort Orlando Suites Waterpark	$140.35	$154.94	$116.87	$101.65	$106.65
% Change		*10.4%*	*-24.6%*	*-13.0%*	*4.9%*
Competitive Set	$94.75	$104.60	$110.70	$115.81	$120.98
% Change		*10.4%*	*5.8%*	*4.6%*	*4.5%*
Index (ARI)	148.1	148.1	105.6	87.8	88.2
RevPAR (USD)					
Holiday Inn Resort Orlando Suites Waterpark	$82.21	$73.02	$47.99	$62.07	$75.17
% Change		*-11.2%*	*-34.3%*	*29.3%*	*21.1%*
Competitive Set	$70.85	$82.62	$88.85	$97.48	$101.17
% Change		*16.6%*	*7.5%*	*9.7%*	*3.8%*
Index (RGI)	116.0	88.4	54.0	63.7	74.3

Competitive set includes: Wyndham Lake Buena Vista Resort (232 rooms), Embassy Suites Orlando Lake Buena Vista Resort (334 rooms), Holiday Inn Resort Orlando Lake Buena Vista (503 rooms), DoubleTree Suites Orlando Disney Springs (229 rooms), Springhill Suites Orlando Lake Buena Vista In The Marriott Village (400 rooms).

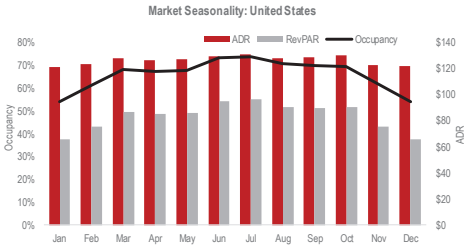
Source: Smith Travel Research

Demand Seasonality

We have estimated the seasonality of demand in the Subject Hotel's market based upon the performance of all upper midscale, branded hotels in the Orlando lodging market. As shown in the following charts, upper midscale, branded hotels in the Orlando lodging market are subject to seasonal demand patterns that differ from those generally experienced by hotels in the United States. Typically, RevPAR in the U.S. declines during the colder winter months, especially in December when the holidays result in a decline in business-related transient and group travel. In Orlando, however, the region's mild winter climate allows for stronger RevPAR during the winter months, while its hot, humid climate during the summer months impacts RevPAR during this time of the year.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Airport Access

Orlando International Airport is located approximately 13.8 miles northeast of the Subject Site. From the Subject, motorists would take northbound Florida State Road 417/Central Florida GreeneWay 11.6 miles to Jeff Fuqua Boulevard, driving an additional 3.2 miles north to reach the airport.

Regional/Local Access

Primary regional access is provided by Interstate 4/Florida State Road 400, a major thoroughfare that runs directly through the city of Orlando. Interstate 4/Florida State Road 400 runs northeast toward its eastern terminus in Daytona Beach and west toward Tampa, ending at an interchange with Interstate 275. Secondary roadways offer additional connectivity throughout the area. For instance, US Route 17 (north/south), US Route 441 (north/south), and several Florida State Roads provide enhanced accessibility to and from Orlando and the surrounding areas.

Public Transportation

Public transportation in Orlando is facilitated by a network of railways and buses. Lynx operates a local/regional bus service extending across five counties. SunRail offers a local commuter rail service between DeBar and Poinciana, running directly through Downtown Orlando. SunRail's latest extension included four rail stations, extending the service 17.0 miles southward. The extension opened in July of 2018. In addition to the SunRail service, a private high-speed rail service initiative ("Brightline") currently offers service between Fort Lauderdale and MiamiCentral. Brightline service to Orlando is expected to commence in 2021.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

Holiday Inn Resort Orlando Suites - Waterpark	
Attraction	**Distance to Subject**
The Wizarding World of Harry Potter	8.3 Mi.
Discovery Cove	4.6 Mi.
Universal's Island of Adventure	8.2 Mi.
Magic Kingdom Park	6.0 Mi.
Disney's Animal Kingdom	4.9 Mi.
Walt Disney World Resort	3.8 Mi.
Epcot	2.6 Mi.
Universal Studios Floria	8.5 Mi.
Disney Springs	1.0 Mi.
Avatar Flight of Passage	5.0 Mi.
SeaWorld	6.5 Mi.

Convention Center

The Orange County Convention Center is located 5.3 miles northeast of the Subject Hotel, along International Drive and immediately northeast of the intersection formed by Interstate 4 and Florida State Road 528. Phase I of the convention center opened in 1983 at a cost of $54 million.

Since opening, the venue has undergone six expansions, with the last update completed in 2008. The convention center currently features approximately 7.0 million square feet, including nearly 2.1 million

square feet of exhibition space across the West and North/South Buildings. The center also offers nearly 480,000 square feet of space across 74 meeting rooms, as well as a 62,000-square foot ballroom. The Orange County Convention Center serves as the primary convention facility for Central Florida and is the second largest convention center in the nation.

In 2018, a further expansion of the Orange County Convention Center was proposed, with plans to build two additions to the center's North/South building, totaling 800,000 square feet.

Community/Infrastructure Development

Proposed Projects that will impact the area include the following:

- A 40-mile Brightline rail services extension to Orlando is currently under construction, connecting Miami to Orlando International Airport by 2021.
- A proposed extension referred to as "North Quarter" of Lynx bus services connecting Downtown Orlando to businesses north of Colonial Drive.
- A proposed further expansion of the Orange County Convention Center, with plans to build two additions to the North/South building.
- Orlando International Airport began the $2.1 billion first phase of an expansion plan in early 2018, introducing a new South Terminal to the facility. The South Terminal is expected to open in 2020, expanding the airport's capacity to 50 million annual passengers.
- A 21-mile stretch of Interstate 4 is currently being rebuilt at an estimated cost of $2.3 billion.

SWOT Analysis

Strengths	Weaknesses
• Proximity to area theme parks, including from Disney, Universal and SeaWorld • Robust family-friendly amenities in-house • Accessibility to major roadways I-4/SR 400 • Walt Disney World's Magic Kingdom is the most visited theme park in the world with 20.5m visitors in 2017 • On-site water park and full entertainment facilities including a 4D movie theatre • Multiple F&B outlets	• Lack of efficient public transit between hotel location and main points of interest; other attractions outside of theme park vicinity
Opportunities	**Threats**
• Increasing regional connectivity via growth in air traffic • Convention Center expansion •	• Supply growth in the market may impact RevPAR growth potential to some extent

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The Orlando International Drive submarket in which the Subject Hotel is located is primarily known for housing the numerous amusement parks and entertainment venues at Walt Disney World Resort, including Epcot, Disney's

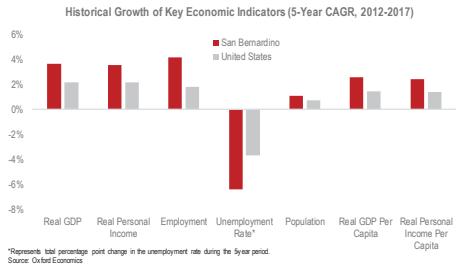
Animal Kingdom Park, and Magic Kingdom Park, which achieved approximately 20.5 million visitors in 2017, making it the most visited amusement park in the world.

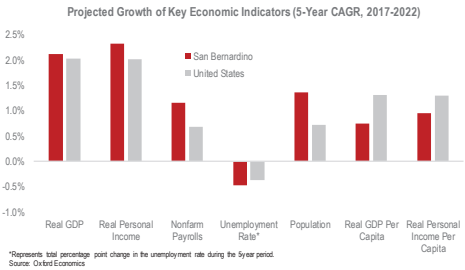
6.8 Riverside-San Bernardino-Ontario Metropolitan Statistical Area

The subject portfolio includes one hotel in the Riverside-San Bernardino-Ontario metropolitan statistical area, namely the 198-room Embassy Suites Palm Desert.

6.8.1 Economic Overview

The Riverside-San Bernardino-Ontario metropolitan statistical area ("San Bernardino" or "San Bernardino metropolitan area") has achieved stronger economic growth, as measured by a range of economic indicators, than the United States from 2012 - 2027, and this trend is generally expected to continue during the next five years according to projections from Oxford Economics. From 2012 - 2017, real GDP growth averaged 3.6% per year compared to 2.2% for the U.S. and the unemployment rate declined 6.5 percentage points compared to 3.7 percentage points for the U.S. Robust population and productivity growth both contributed to San Bernardino's high real GDP growth rate. From 2017 - 2022, strong population and employment growth are primarily expected to drive real GDP growth of 2.1% per year, compared to 2.0% per year for the U.S.





6.8.2 Industry Composition and Key Corporate Demand Drivers

The Riverside-San Bernardino-Ontario metropolitan statistical area's largest sectors in terms of total employment are the Trade, Transportation & Utilities and Government sectors. While the metropolitan area's population and gross domestic product rank 13th and 19th in the nation, respectively, it is located in close proximity to the Los Angeles-Long Beach-Anaheim metropolitan area, which ranks as the nation's second largest economy. San Bernardino is approximately 60 miles east of Los Angeles, and their metropolitan areas' economies are closely intertwined. Additionally, the Riverside-San Bernardino-Ontario metropolitan area offers two commercial airports, Ontario International Airport and Palm Springs International Airport, which further support the region's robust Trade, Transportation & Utilities Sector. Palm Springs, which is located at the eastern edge of the metropolitan area, is also a popular leisure destination, as its desert landscape, retail and entertainment venues, and warm climate attract leisure travelers from Southern California and throughout the world. The table below summarizes the share of employment by sector in the Riverside-San Bernardino-Ontario metropolitan statistical area in comparison to the national average:

Share of Employment by Industry (2017)		
Sector	Riverside-San Bernardino-Ontario, CA	United States
Trade, Transportation & Utilities	25%	19%
Government	17%	15%
Education & Health Services	15%	16%
Leisure & Hospitality	11%	11%
Professional & Business Services	10%	14%
Manufacturing	7%	8%
Natural Resources, Minining & Construction	7%	5%
Other Services	3%	4%
Financial Activities	3%	6%
Information	1%	2%
Total	100%	100%

Source: U.S. Bureau of Labor Statistics, Moody's Analytics, JLL

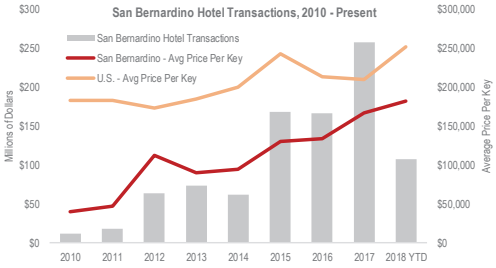
The largest employers in the Riverside-San Bernardino-Ontario metropolitan statistical area include a diverse mix of companies as summarized in the following table:

Major Employers: Riverside-San Bernardino-Ontario, CA Metropolitan Statistical Area		
Rank	Employer	Employees
1	Stater Brothers Markets	18,000
2	Arrowhead Regional Medical Center	18,000
3	U.S. Marine Corps. Air Ground Combat Center	16,266
4	Fort Irwin	13,805
5	Wal-Mart Stores Inc.	12,263
6	U.C. Riverside	8,686
7	Loma Linda University	8,582
8	March Air Reserve Base	8,500
9	Ontario International Airport	7,510
10	Amazon	7,500
11	VA Loma Linda Healthcare System	6,147
12	Kaiser Permanente	5,739
13	Target Brands Inc.	4,800
14	Pechanga Resort & Casino	4,000
15	Riverside County Regional Medical Center	3,876
16	Eisenhower Medical Center	3,665
17	San Manuel Band of Mission Indians	3,261
18	Morongo Casino, Resort & Spa	3,000
19	JW Marriott Desert Springs Resort & Spa	2,304
20	California Baptist University	2,285

Source: Oxford Economics, JLL

6.8.3 Hotel Investment Overview

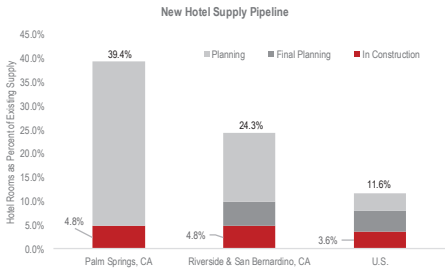
Hotel transactions totaling approximately $900 million have occurred in the Riverside-San Bernardino-Ontario ("San Bernardino") lodging market since 2010, and hotel sales volume has increased significantly during recent years. Most recently, hotel transactions increased to $257 million in 2017 from $166 million in 2016. Surveying hotel transactions in the market since 2015, San Bernardino's average capitalization rate amounts to 6.9%, compared to 7.4% for transactions nationwide, and its average sales price is approximately $149,000 per key, compared to $228,000 per key for the U.S. Sales prices have increased steadily in the market during the past several years, rising from $89,000 per key in 2013 to $182,000 per key for year-to-date transactions through September 2018.

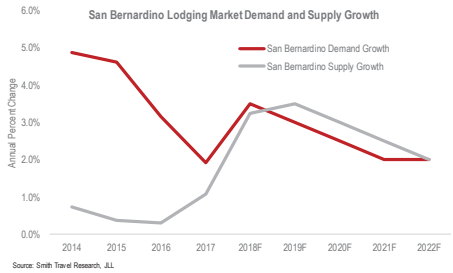


Note: Includes single-asset hotel transactions in the San Bernardino/Riverside, CA, market, as defined by Smith Travel Research. YTD data as of Sep 2018.
Source: JLL

6.8.4 Lodging Market Performance

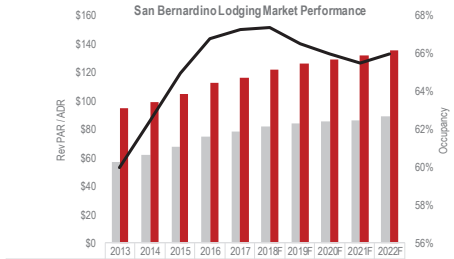
The active new supply pipeline for the Riverside/San Bernardino/Ontario lodging market, which includes hotel rooms in the planning, final planning, and construction stages, is significantly higher than the national average, though a large portion of the pipeline's rooms remain in the early planning stage. According to data compiled by Smith Travel Research, the Riverside/San Bernardino/Ontario lodging market's pipeline amounts to 24.3% of existing rooms inventory, compared to 11.6% for the U.S. The supply pipeline can vary significantly by submarket, however, and the submarket in which the subject portfolio's only San Bernardino area hotel is located, the Palm Springs submarket, features a noticeably larger active pipeline, as shown in the first chart below. Considering San Bernardino's supply pipeline as well as expectations for decelerating real GDP growth, supply growth is expected to temporarily outpace demand growth in the San Bernardino market during the next few years according to JLL's projections. In the case of the Palm Springs submarket, supply growth may outpace demand growth by a wider margin given its materially larger pipeline.





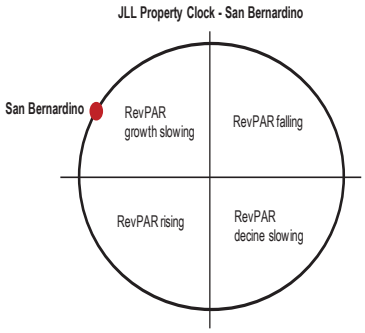
Source: Smith Travel Research, JLL

The San Bernardino lodging market realized average annual RevPAR growth between 2013 and 2017 of 8.3%. Although San Bernardino is not included among the list of 60 major U.S. lodging markets for which data are compiled, its rate of RevPAR growth during this period is higher than all but 6 of the 60 major markets. Given the expectation that supply growth will outpace demand growth during the next few years, the market's occupancy is expected to decline slightly from approximately 67% in 2017 to 65.5% by 2021, while ADR growth is expected to moderate from 5.0% in 2018 to 2.0% by 2021 as the market's new supply is absorbed. As a result, RevPAR growth between 2017 and 2022 is expected to average 2.7% annually, according to JLL's projections. The charts below summarize historical and projected RevPAR growth in the San Bernardino market as well as its position on JLL's Property Clock.



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$57	$62	$68	$75	$78	$82	$84	$85	$86	$89
RevPAR % Chg		9.4%	9.7%	10.3%	4.1%	5.2%	2.1%	1.7%	1.2%	3.3%
ADR	$95	$99	$105	$112	$116	$122	$126	$129	$132	$135
Occcupancy	60.0%	62.4%	65.0%	66.8%	67.3%	67.4%	66.5%	66.0%	65.5%	66.0%

Source: Smith Travel Research , JLL



6.8.5 Embassy Suites Palm Desert: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of the Embassy Suites Palm Desert ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. The Embassy Suites Palm Desert is the only hotel in the subject portfolio that is located in the San Bernardino metropolitan area.

Location Description

The Subject Hotel is situated at 74-700 Highway 111 in the City of Palm Desert, in Riverside County, California. The hotel is 1.6 miles directly east of the intersection formed by California State Route 71/ Monterey Avenue and California State Route 111/Palm Desert Drive North, in the northeast quadrant of the Deep Canyon Road and California State Route 111 intersection.

Access to the site is granted via California State Route 111/Palm Desert Drive North which runs east/west along the south perimeter of the site. The site is bordered by offices and a vacant lot to the North; offices to the East; California State Route 111/Palm Desert Drive North to the South; and Starbucks and Albertsons Grocery Store to the West.

The Subject's location is considered very good, given its immediate proximity to adequate leisure demand generators. The Subject Site is in Downtown Palm Desert.

Market Positioning

The Subject Hotel is located within the Palm Springs tract within the greater Riverside & San Bernardino lodging market, according to STR. This tract is comprised of 15,083 rooms across a total of 137 hotels. Of the rooms supply, approximately 33.7% are within the upper upscale class, followed by 17.4% within the luxury class, and 14.3% within the upper midscale class. The Subject Hotel is a full-service hotel that falls within the upper upscale class. In this submarket, the greatest room shares are attributed to Independent hotels, Marriott International hotels, Hilton Worldwide hotels, G6 Hospitality hotels, and Intercontinental Hotels Group hotels, respectively. The Subject belongs to the Hilton Worldwide family of brands, which account for 15.7% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

In the table below, we have summarized the historical Occupancy, ADR, and RevPAR performance of the Subject Hotel relative to its competitive set. The Subject Hotel realized average annual RevPAR growth 4.5% between 2015 and 2018, compared to 4.2% for its competitive set. As a result, its RevPAR Index has increased from approximately 95% in 2015 to 96% in 2018.

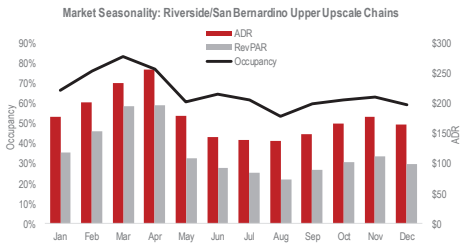
Competitive Set Performance				
Occupancy	**2015**	**2016**	**2017**	**2018**
Embassy Suites Palm Desert	63.8%	70.7%	67.8%	64.2%
% Change		*10.7%*	*-4.1%*	*-5.4%*
Competitive Set	68.2%	70.7%	69.2%	66.7%
% Change		*3.8%*	*-2.2%*	*-3.6%*
Index (MPI)	93.7	99.9	98.0	96.2
Average Daily Rate (USD)				
Embassy Suites Palm Desert	$128.07	$136.17	$136.10	$145.32
% Change		*6.3%*	*0.0%*	*6.8%*
Competitive Set	$126.56	$134.87	$135.64	$146.27
% Change		*6.6%*	*0.6%*	*7.8%*
Index (ARI)	101.2	101.0	100.3	99.4
RevPAR (USD)				
Embassy Suites Palm Desert	$81.75	$96.24	$92.27	$93.24
% Change		*17.7%*	*-4.1%*	*1.1%*
Competitive Set	$86.26	$95.39	$93.82	$97.58
% Change		*10.6%*	*-1.6%*	*4.0%*
Index (RGI)	94.8	100.9	98.3	95.6

Competitive set includes: Holiday Inn Express Palm Desert (129 rooms), Autograph Collection Hotel Paseo (150 rooms), Courtyard Palm Desert (151 rooms), Homewood Suites Palm Desert (128 rooms), Homewood Suites La Quinta (129 rooms), Embassy Suites La Quinta Hotel & Spa (157 rooms).

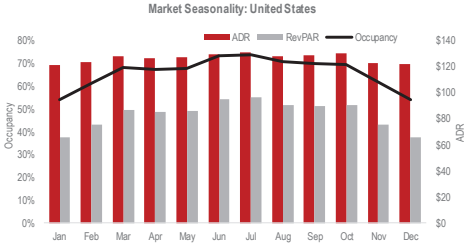
Source: Smith Travel Research

Demand Seasonality

We have estimated the seasonality of demand in the Subject Hotel's market based upon the performance of all upper upscale, branded hotels in the Riverside/San Bernardino lodging market. As shown in the following charts, upper upscale, branded hotels in the Riverside/San Bernardino lodging market are subject to seasonal demand patterns that differ from those generally experienced by hotels in the United States, primarily due to the desert location of the market's Palm Springs submarket. Typically, RevPAR in the U.S. declines during the colder winter months, especially in December when the holidays result in a decline in business-related transient and group travel. In Riverside/San Bernardino, however, the region's mild winter climate allows for stronger RevPAR during the winter months, while its extremely high summer temperatures impact RevPAR during the summer months.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Airport Access

Palm Springs International Airport is located approximately 11.0 miles northwest of the Subject Site. From the Subject, motorists would take California State Route 111, traveling 10.0 miles north before continuing onto East Palm Canyon Drive. Motorists would then turn right onto Escoba Drive then left onto El Cielo Road, leading directly to the airport. The subject hotel is also served by Ontario International Airport, which is approximately 1 hour west of the subject site by car.

Regional/Local Access

Primary regional access is provided by Interstate 10, a major thoroughfare along the northernmost edge of the city of Palm Desert. Interstate 10 runs east toward Phoenix, Arizona and west through Los Angeles before terminating in Santa Monica. Secondary roadways offer additional connectivity throughout the area. For instance, California State Route 74 (east/west) and State Route 111 (north/south) provide enhanced accessibility to and from Palm Desert and the surrounding areas.

Public Transportation

The SunLine Transit Agency operates a modest system that offers bus transportation throughout the Coachella Valley along 15 routes. Bus service runs from Desert Hot Springs in the north to North Shore in the south.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

Embassy Suites Palm Desert	
Attraction	**Distance to Subject**
The Living Desert Zoo and Gardens	1.7 mi.
Coachella Valley/Thousand Palms Oasis Preserve	8.5 mi.
Agua Caliente Casino Resort & Spa	6.9 mi.
Desert Adventures	1.6 mi.
El Paseo Shopping District	1.0 mi.
Santa Rosa and San Jacinto Mountains National Monument	6.8 mi.
Palm Springs Art Museum in Palm Desert	2.2 mi.
CODA Gallery	1.3 mi.
Palm Desert Aquatic Center	1.3 mi.
Joshua Tree National Park	16.0 mi.

Convention Center

The Palm Springs Convention Center, located 12 miles from the Subject Hotel, is situated along North Avenida Caballeros, between East Alejo Road and East Tahquitz Canyon Way, running parallel to North Indian Canyon Drive in Downtown Palm Springs, California. The center originally opened in 1974.

The venue's most recent expansion was completed in 2005. This expansion added an additional 100,000 square feet, totaling 245,000 square feet of meeting and exhibition space.

SWOT Analysis

Strengths	Weaknesses
• Location within downtown • Situated proximate to several world-class championship golf courses and country clubs; proximity to shopping district • Palm Spring's status as a world-class leisure destination with iconic mid-century architecture, a warm climate, and numerous retail, dining, and entertainment venues • Located within Coachella Valley which hosts the annual Coachella Valley Music and Arts Festival	• Distance from airport • Seasonality of demand creates challenges for revenue management and profit margins during low season
Opportunities	**Threats**
• Balance out seasonality by driving more corporate negotiated business with local companies	• Supply growth in the market may impact RevPAR growth potential to some extent

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The Palm Springs submarket in which the Subject Hotel is located is primarily known as a popular leisure travel destination in Southern California. Its warm and dry desert climate, attractive mid-century modern architecture, and plethora of retail, dining, and entertainment venues attracted approximately 13.6 million visitors in 2017. Its close proximity to the Los Angeles, which is situated approximately 100 miles west of Palm Springs, also makes it an easily accessible leisure travel destination for Southern California's large population base.

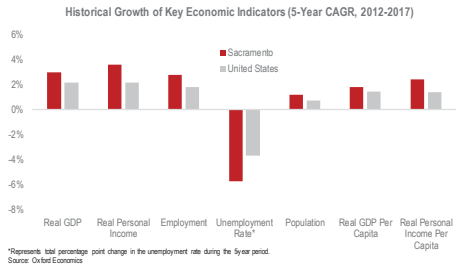
Riverside (MSA rank: #139)
Desert Willow Golf Resort
Palm Springs International Airport
Palm Springs
The River at Rancho Mirage
McCallum Theatre
El Paseo Shopping District
Coachella Valley / Thousand Palms Oasis Preserve
Classic Club Golf Course
Indian Wells Country Club
The Living Desert Zoo and Gardens
Jacqueline Cochran Regional Airport
Legend
Subject Property
Shopping
Office
Attractions
Gaming Facility
Airport

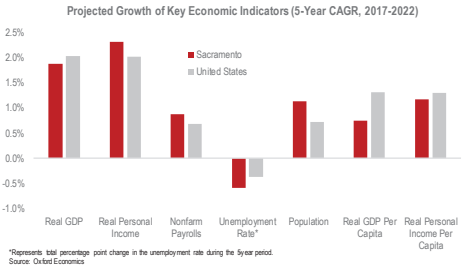
6.9 Sacramento-Roseville-Arden-Arcade Metropolitan Statistical Area

The subject portfolio includes one hotel in the Sacramento-Roseville-Arden-Arcade metropolitan statistical area, namely the 101-room Westin Sacramento.

6.9.1 Economic Overview

The Sacramento-Roseville-Arden-Arcade metropolitan statistical area ("Sacramento" or "Sacramento metropolitan area") has achieved stronger economic growth, as measured by a range of economic indicators, than the United States from 2012 - 2017. Real GDP growth averaged 3.0% per year compared to 2.2% for the U.S. and the unemployment rate declined 5.8 percentage points compared to 3.7 percentage points for the U.S. Strong personal income and employment growth have been primarily responsible for the area's relatively high economic growth rate from 2012 - 2017. While strong employment growth is expected to continue in the region from 2017 - 2022, softening productivity growth is expected to bring real GDP growth broadly in line with the national average. According to projections from Oxford Economics, real GDP is expected to average 1.9% per year, compared to 2.0% per year for the U.S.





6.9.2 Industry Composition and Key Corporate Demand Drivers

The Sacramento-Roseville-Arden-Arcade metropolitan statistical area's largest sectors in terms of total employment are the Government and Trade, Transportation & Utilities sectors. While the metropolitan area's population and gross domestic product do not rank among the top-20 metropolitan areas in the nation, Sacramento is the capital city of California, the largest state in the U.S. As a result, significant government-related business is conducted in the metropolitan area. The metropolitan area is also attractively positioned only 90 miles northeast of San Francisco, which benefits its Trade, Transportation & Utilities sector. The table below summarizes the share of employment by sector in the Sacramento-Roseville-Arden-Arcade metropolitan statistical area in comparison to the national average:

Share of Employment by Industry (2017)		
Sector	Sacramento--Roseville--Arden-Arcade, CA	United States
Government	24%	15%
Trade, Transportation & Utilities	16%	19%
Education & Health Services	16%	16%
Professional & Business Services	13%	14%
Leisure & Hospitality	11%	11%
Natural Resources, Minining & Construction	6%	5%
Financial Activities	5%	6%
Manufacturing	4%	8%
Other Services	3%	4%
Information	1%	2%
Total	100%	100%

Source: U.S. Bureau of Labor Statistics, Moody's Analytics, JLL

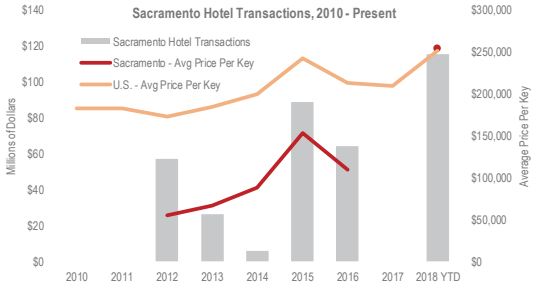
The largest employers in the Sacramento-Roseville-Arden-Arcade metropolitan statistical area include a diverse mix of companies as summarized in the following table:

Major Employers: Sacramento--Roseville--Arden-Arcade, CA Metropolitan Statistical Area		
Rank	Employer	Employees
1	University of California, Davis and UC Davis Health	20,100
2	Kaiser Permanente	16,100
3	Sutter Health	15,200
4	Dignity Health	7,850
5	Intel Corp.	6,000
6	Raley's Inc.	4,800
7	California State University Sacramento	3,125
8	Thunder Valley Casino Resort	2,500
9	Apple Inc.	2,500
10	Squaw Valley Resort	2,500
11	VSP Global	2,382
12	Health Net Inc.	2,299
13	Wells Fargo	2,190
14	Cache Creek Casino Resort	2,150
15	Sacramento Municipal Utility District	2,046
16	Hewlett-Packard Co.	2,000
17	Northstar-At-Tahoe Resort	1,950
18	Sierra Joint Community College	1,940
19	Bank of America	1,892
20	California Health Services	1,890

Source: Oxford Economics, JLL

6.9.3 Hotel Investment Overview

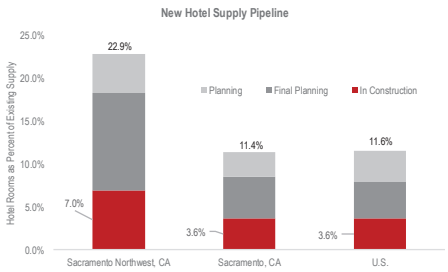
Hotel transactions totaling approximately $360 million have occurred in the Sacramento lodging market since 2010. After no major transactions occurred in 2017, year-to-date transactions through September 2018 rose to a multi-year high of $115 million. Surveying hotel transactions in the market since 2015, Sacramento's average capitalization rate amounts to 8.8%, compared to 7.4% for transactions nationwide, and its average sales price is approximately $166,000 per key, compared to $228,000 per key for the U.S. Most recently, sales prices increased significantly to $254,000 for the year-to-date transactions through September 2018. Additionally, we note that there have been relatively few transactions for which cap rate data are available in Sacramento during recent years, and therefore, the average cap rate for these transactions may not be representative of investor expectations for most assets in the market.



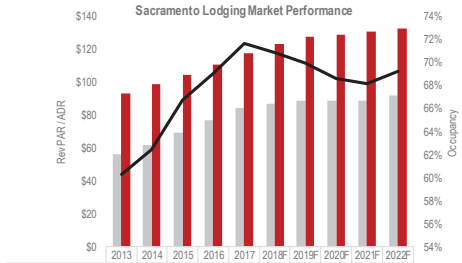
Note: Includes single-asset hotel transactions in the Sacramento, CA, market, as defined by Smith Travel Research. YTD data as of Sep 2018. Source: JLL.

6.9.4 Lodging Market Performance

The active new supply pipeline for the Sacramento lodging market, which includes hotel rooms in the planning, final planning, and construction stages, is slightly lower than the national average. According to data compiled by Smith Travel Research, the Sacramento lodging market's pipeline amounts to 11.4% of existing rooms inventory, compared to 11.6% for the U.S. The supply pipeline can vary significantly by submarket, however, and the submarket in which the subject portfolio's only Sacramento area hotel is located, the Sacramento Northwest submarket, features a noticeably larger active pipeline, as shown in the first chart below. Considering Sacramento's supply pipeline as well as expectations for decelerating real GDP growth, supply growth is expected to temporarily outpace demand growth in the Orlando market during the next few years according to projections from CBRE. In the case of the Sacramento Northwest submarket, supply growth may outpace demand growth by a wider margin given its materially larger pipeline.

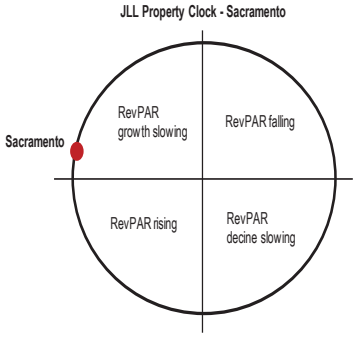


The Sacramento lodging market realized average annual RevPAR growth between 2013 and 2017 of 10.6%, ranking 1st among 60 major U.S. lodging markets for which we have available data. Given the expectation that supply growth will outpace demand growth during the next few years, the market's occupancy is expected to decline slightly from approximately 72% in 2017 to 68% by 2021, while ADR growth is expected to moderate from 6.0% in 2017 to 1.1% by 2021 as the market's new supply is absorbed. As a result, RevPAR growth between 2017 and 2022 is expected to average 1.7% annually, ranking 34th among 60 major U.S. lodging markets according to projections from CBRE. The charts below summarize historical and projected RevPAR growth in the Sacramento market as well as Sacramento's position on JLL's Property Clock.



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$56	$62	$69	$76	$84	$87	$89	$88	$89	$92
RevPAR % Chg		9.5%	12.8%	10.1%	9.9%	3.6%	2.2%	-0.5%	0.3%	3.2%
ADR	$93	$99	$104	$111	$117	$123	$127	$129	$130	$132
Occupancy	60.3%	62.4%	66.7%	69.0%	71.6%	70.8%	69.9%	68.6%	68.1%	69.2%

Source: Smith Travel Research, CBRE



6.9.5 The Westin Sacramento: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of The Westin Sacramento ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. The Westin Sacramento is the only hotel in the subject portfolio that is located in the Sacramento metropolitan area.

Location Description

The Subject Hotel is situated at 4800 Riverside Boulevard in the City of Sacramento, in Sacramento County, California. The hotel is 2.4 miles south of the intersection formed by the Interstate 80 Business Loop and Interstate 5, at the northernmost point of the Little Pocket neighborhood.

Access to the site is granted via Riverside Boulevard via Captains Table Road which runs north/south along the east perimeter of the site. The site is bordered by the Sacramento River to the North; Captain's Table Road to the East; Captain's Table Road and residences to the South; and residences and the Sacramento River to the West.

The Subject's location is considered very good, given its immediate proximity to area universities, as well as adequate leisure and corporate demand generators. The Subject Site is located approximately 3.0 miles south southwest of Downtown Sacramento.

Market Positioning

The Subject Hotel is located within the Sacramento Northwest tract within the greater Sacramento lodging market, according to STR. This tract is comprised of 6,912 rooms across a total of 75 hotels. Of the rooms supply, approximately 38.2% are within the economy class, followed by 31.3% within the upscale class, and 17.1% within the upper midscale class. The Subject Hotel is a full-service hotel that falls within the upper upscale class which comprises 6.3% of the submarket. In this submarket, the greatest room shares are attributed to Hilton Worldwide hotels, Marriott International hotels, Independent hotels, Wyndham Worldwide hotels, and Intercontinental Hotels Group hotels, respectively. The Subject belongs to the Marriott International family of brands, which account for 19.2% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

In the table below, we have summarized the historical Occupancy, ADR, and RevPAR performance of the Subject Hotel relative to its competitive set. The Subject Hotel realized average annual RevPAR growth of 8.8% between 2014 and 2018, compared to 7.7% for its competitive set. As a result, its RevPAR Index has improved from approximately 116% in 2014 to 121% in 2018.

Competitive Set Performance

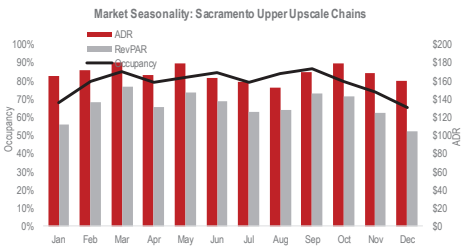
Occupancy	2014	2015	2016	2017	2018
Westin Sacramento	71.4%	73.4%	81.0%	82.1%	82.7%
% Change		*2.8%*	*10.4%*	*1.3%*	*0.7%*
Competitive Set	75.4%	77.8%	77.4%	81.6%	81.8%
% Change		*3.2%*	*-0.5%*	*5.4%*	*0.3%*
Index (MPI)	94.7	94.3	104.7	100.6	101.1
Average Daily Rate (USD)					
Westin Sacramento	$167.22	$182.17	$186.84	$199.62	$202.68
% Change		*8.9%*	*2.6%*	*6.8%*	*1.5%*
Competitive Set	$136.66	$144.85	$153.99	$163.25	$169.58
% Change		*6.0%*	*6.3%*	*6.0%*	*3.9%*
Index (ARI)	122.4	125.8	121.3	122.3	119.5
RevPAR (USD)					
Westin Sacramento	$119.40	$133.71	$151.36	$163.83	$167.56
% Change		*12.0%*	*13.2%*	*8.2%*	*2.3%*
Competitive Set	$103.04	$112.69	$119.15	$133.17	$138.70
% Change		*9.4%*	*5.7%*	*11.8%*	*4.2%*
Index (RGI)	115.9	118.7	127.0	123.0	120.8

Competitive set includes: Holiday Inn Sacramento Downtown Arena (359 rooms), Hilton Sacramento Arden West (335 rooms), Hyatt Regency Sacramento (505 rooms), Sheraton Hotel Grand Sacramento (503 rooms), Embassy Suites Sacramento Riverfront Promenade (242 rooms), Autograph Collection The Citizen Hotel (196 rooms).

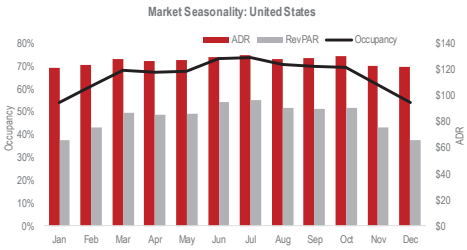
Source: Smith Travel Research

Demand Seasonality

We have estimated the seasonality of demand in the Subject Hotel's market based upon the performance of all upper upscale, branded hotels in the Sacramento lodging market. As shown in the following charts, upper upscale, branded hotels in the Sacramento lodging market are subject to seasonal demand patterns that are not significantly more pronounced than those generally experienced by hotels in the United States. Typically, RevPAR in the U.S. declines during the colder winter months, especially in December when the holidays result in a decline in business-related transient and group travel.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Airport Access

Sacramento International Airport is located approximately 11.3 miles north northwest of the Subject Site. From the Subject, motorists would take Interstate 5 north, traveling 12.1 miles north to Airport Boulevard.

Regional/Local Access

Primary regional access is provided by Interstates 5 and 80, two major thoroughfares that run directly through the city of Sacramento. Interstate 5 runs north through Redding and south through Stockton toward Los Angeles. Interstate 80 runs east toward Reno, Nevada and west toward San Francisco. Secondary roadways offer additional connectivity throughout the area. For instance, US Highway 50 (east/west) and several California State Routes provide enhanced accessibility to and from Sacramento and the surrounding areas.

Public Transportation

The Regional Transit operates a robust network of light-rail trains ("RT Light Rail") and buses ("RT Bus"). RT Light Rail provides nearly 40.0 miles of rail service that covers 418 square miles of the Sacramento area. RT Bus connects riders to light rail trains and provides service to nearly 3,700 stops in Sacramento. Additional services in the area are provided by YoloBus (service to airport) and Amtrak.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

The Westin Sacramento	
Attraction	**Distance to Subject**
California State Capitol Museum	3.2 mi.
California State Railroad Museum	3.6 mi.
Sutter's Fort State Historic Park	3.7 mi.
Crocker Museum of Art	3.0 mi.
Old Sacramento	3.5 mi.
California Automobile Museum	2.5 mi.
Fairytale Town	1.0 mi.
Sacramento Zoo	0.9 mi.
Midtown	3.2 mi.
The American River Trail	6.1 mi.

Convention Center

The Sacramento Convention Center, located 3.5 miles from the Subject Hotel, is situated along the south side of J Street, between 13th and 15th Streets, in Downtown Sacramento, California. The center is one component of a four-venue complex that includes two theaters and an auditorium. The center originally opened in 1974.

In 2017, Sacramento approved an expansion plan that would begin in 2019 and reach completion in late 2020, offering a total of 160,000 square feet of exhibition space, 37 breakouts, and 79,100 square feet of meeting space. The expansion was last estimated to cost $328 million and would involve the current center ceasing operation during that time. The convention center currently features 137,000

square feet of contiguous exhibition space, which includes a 24,000-square-foot ballroom and 10,000-square-foot junior ballroom, and 31 meeting rooms.

Community/Infrastructure Development

Proposed Infrastructure projects that will impact the area include the expansion of the Sacramento Convention Center, and improvements to light-rail service in the city. In April 2018, Sacramento Regional Transit District ("SacRT") received $84 million in grants to purchase 20 new light-rail vehicle replacements and modify several stations to accommodate the new low-floor design. Service is expected to begin by mid-2021. Additionally, SacRT will construct three express routes from Folsom to downtown Sacramento during peak weekday times. Additionally, SacRT was awarded an additional $12-million grant to expand a newly introduced on-demand SmaRT Ride service, which allows for small shuttle buses to service passengers along residential streets.

Sacramento International Airport is subject to a proposed plan that would expand Terminal A and/or B by six gates, enhance light-rail and passenger car access, as well as build a new parking garage with rental car facilities.

SWOT Analysis

Strengths	Weaknesses
• Access to roadways and bus transportation, 3.0 miles from downtown Sacramento • Event capacity onsite, with focus on wedding events • Strong branding; Westin affiliation is considered desirable in the market • Sacramento is the capital city of California • AAA Four-Diamond award • Upscale on-site amenities such as Spa LeLe and Scott's Seafood	• • Lack of immediate proximity to most popular leisure demand generators in region
Opportunities	**Threats**
• Expansion in public transit may allow for enhanced connectivity • 3.5 miles from Sacramento Convention Centre with expansion plans that is slated to commence in 2019	• Supply growth in the market may impact RevPAR growth potential to some extent

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The Sacramento Northwest submarket in which the Subject Hotel is located is primarily known for its proximity to Downtown Sacramento, the capital city of California, and for housing the Sacramento Zoo and Sacramento City College. The area also features a large number of commercial offices and retail shopping centers.

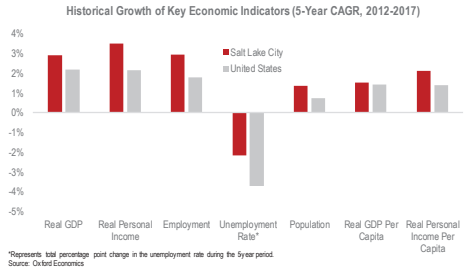
Sacramento (MSA rank: #26)
Sacramento International Airport
California State Capitol Museum
State Government Offices
Old Sacramento
California State Railroad Museum
California Automobile Museum
Sacramento History Museum
Old Sacramento Schoolhouse Museum
Wells Fargo History Museum
Delta King Riverboat
Sacramento Convention Center
Sutter's Fort State Historic Park
California State University Sacramento
Huntington and Hopkins Hallways
The Westin Sacramento
Sacramento City College
Sacramento Zoo
Legend
Subject Property
Office
Attractions
Event Facility
Airport
Size

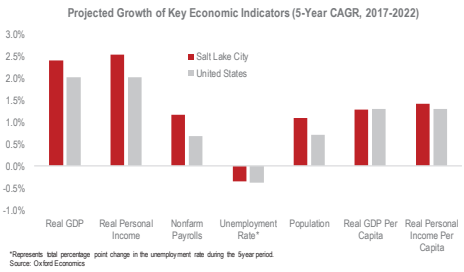
6.10 Salt Lake City Metropolitan Statistical Area

The subject portfolio includes one hotel in the Salt Lake City metropolitan statistical area, namely the 288-room Doubletree Salt Lake City Airport.

6.10.1 Economic Overview

The Salt Lake City metropolitan statistical area ("Salt Lake City" or "Salt Lake City metropolitan area") has achieved stronger economic growth, as measured by a range of economic indicators, than the United States from 2012 - 2017, and this trend is generally expected to continue during the next five years according to projections from Oxford Economics. From 2012 - 2017, real GDP growth averaged 2.9% per year compared to 2.2% for the U.S. While the 2.2-percentage-point decline in Salt Lake City's unemployment was less than the 3.7-percentage-point decline in the national unemployment rate during this time, Salt Lake City's unemployment rate of 3.1% is among the lowest in the U.S. and remains significantly below the national average of 4.4% as of 2017. Strong population, employment, and personal income growth all contributed to Salt Lake City's high real GDP growth rate. From 2017 – 2022, , robust population and employment growth are expected to continue to drive strong real GDP growth of 2.4% per year, compared to 2.0% per year for the U.S.





6.10.2 Industry Composition and Key Corporate Demand Drivers

The Salt Lake City metropolitan statistical area's largest sectors in terms of total employment are the Trade, Transportation & Utilities and Professional & Business Services sectors. While the metropolitan area's population and gross domestic product do not rank among the top-20 metropolitan areas in the nation, Salt Lake City is the second largest city by population and gross domestic product in the Rocky Mountain region of the United States and the capital city of Utah. The metropolitan area also features Salt Lake City International Airport, which serves as a hub for Delta Airlines. Given its strong infrastructure and large economy in the Rocky Mountain region, the metropolitan area's Trade, Transportation & Utilities and Professional & Business Services sectors offer robust regional employment. The table below summarizes the share of employment by sector in the Salt Lake City metropolitan statistical area in comparison to the national average:

Share of Employment by Industry (2017)		
Sector	Salt Lake City, UT	United States
Trade, Transportation & Utilities	20%	19%
Professional & Business Services	17%	14%
Government	15%	15%
Education & Health Services	12%	16%
Leisure & Hospitality	8%	11%
Manufacturing	8%	8%
Financial Activities	8%	6%
Natural Resources, Minining & Construction	6%	5%
Other Services	3%	4%
Information	3%	2%
Total	100%	100%

Source: U.S. Bureau of Labor Statistics, Moody's Analytics, JLL

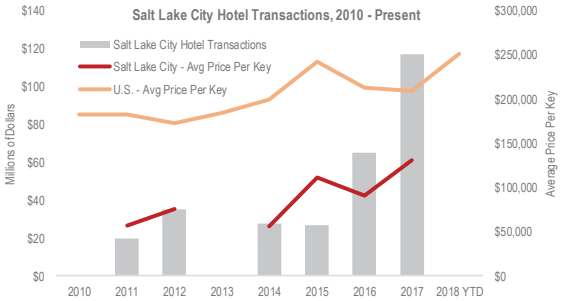
The largest employers in the Salt Lake City metropolitan statistical area include a diverse mix of companies as summarized in the following table:

Major Employers: Salt Lake City, UT Metropolitan Statistical Area		
Rank	Employer	Employees
1	University of Utah	>20,000
2	Intermountain Health Care Inc.	15,000-19,999
3	Wal-Mart Stores Inc.	4,000-4,999
4	Delta Airlines	3,000-3,999
5	Smith's Food & Drug	3,000-3,999
6	Discover Products Inc.	3,000-3,999
7	Zions Bancorp.	3,000-3,999
8	C.R. England Inc.	3,000-3,999
9	L-3 Communications Corp.	3,000-3,999
10	Department of Veterans Affairs	3,000-3,999
11	Salt Lake City Park	3,000-3,999
12	ARUP Laboratories	3,000-3,999
13	Salt Lake City Community College	2,000-2,999
14	Wells Fargo Bank	2,000-2,999
15	Jet Blue Airways Corp.	2,000-2,999
16	Dental Select	2,000-2,999
17	Harmons Grocery	2,000-2,999
18	Skywest Airlines	2,000-2,999
19	United Parcel Service	1,000-1,999
20	Goldman Sachs and Co.	1,000-1,999

Source: Oxford Economics, JLL

6.10.3 Hotel Investment Overview

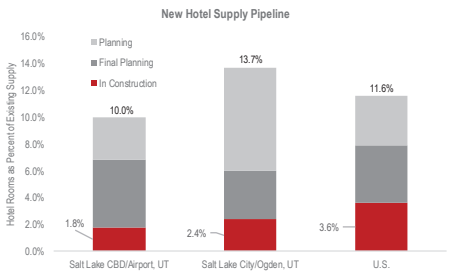
Hotel transactions totaling approximately $290 million have occurred in the Salt Lake City/Ogden ("Salt Lake City") lodging market since 2010. Hotel sales volume has generally trended higher during the last several years, most recently rising to $117 million in 2017 from $65 million in 2016. Surveying hotel transactions in the market since 2015, Salt Lake City's average capitalization rate amounts to 8.7%, compared to 7.4% for transactions nationwide, and its average sales price is approximately $113,000 per key, compared to $228,000 per key for the U.S. Most recently, sales prices increased noticeably from $91,000 per key in 2016 to $131,000 per key in 2017. Additionally, we note that there have been relatively few transactions for which cap rate data are available in Salt Lake City during recent years, and therefore, the average cap rate for these transactions may not be representative of investor expectations for most assets in the market.

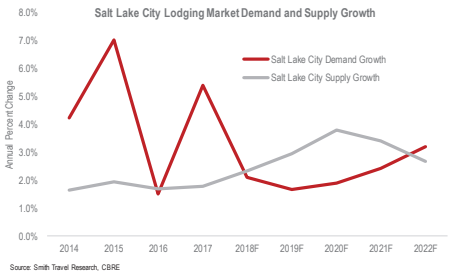


Note: Includes single-asset hotel transactions in the Salt Lake City/Ogden, UT, market, as defined by Smith Travel Research. YTD data as of Sep 2018.
Source: JLL.

6.10.4 Lodging Market Performance

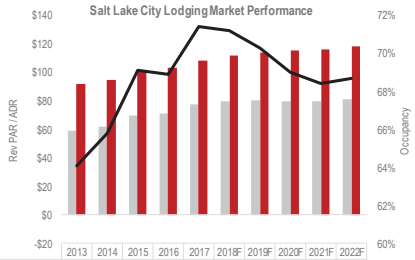
The active new supply pipeline for the Salt Lake City/Ogden ("Salt Lake City") lodging market, which includes hotel rooms in the planning, final planning, and construction stages, is slightly higher than the national average. According to data compiled by Smith Travel Research, the Salt Lake City/Ogden lodging market's pipeline amounts to 13.7% of existing rooms inventory, compared to 11.6% for the U.S. The submarket in which the subject portfolio's only Salt Lake City area hotel is located, the Salt Lake City CBD/Airport submarket, features a slightly smaller active pipeline, as shown in the first chart below. Considering Salt Lake City's supply pipeline as well as expectations for decelerating real GDP growth, supply growth is expected to temporarily outpace demand growth in the Salt Lake City market during the next few years according to projections from CBRE. In the case of the Salt Lake City CBD/Airport submarket, supply growth and demand growth may be more balanced given its smaller pipeline.





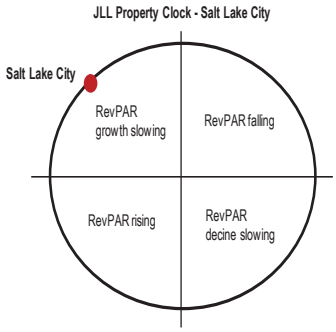
Source: Smith Travel Research, CBRE

The Salt Lake City/Ogden lodging market realized average annual RevPAR growth between 2013 and 2017 of 7.0%, ranking 21st among 60 major U.S. lodging markets for which we have available data. Given the expectation that supply growth will outpace demand growth during the next few years, the market's occupancy is expected to decline slightly from approximately 71% in 2017 to 68% by 2021, while ADR growth is expected to moderate from 5.2% in 2017 to 0.9% by 2021 as the market's new supply is absorbed. As a result, RevPAR growth between 2017 and 2022 is expected to average 1.0% annually, ranking 51st among 60 major U.S. lodging markets according to projections from CBRE. The charts below summarize historical and projected RevPAR growth in the Salt Lake City/Ogden market as well as its position on JLL's Property Clock.



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$59	$62	$70	$71	$77	$80	$80	$80	$80	$81
RevPAR % Chg		5.3%	11.9%	2.2%	8.9%	2.7%	0.9%	-0.8%	-0.1%	2.2%
ADR	$92	$95	$101	$103	$109	$112	$114	$115	$116	$118
Occupancy	64.1%	65.8%	69.1%	68.9%	71.4%	71.2%	70.3%	69.0%	68.4%	68.7%

Source: Smith Travel Research, CBRE



6.10.5 Doubletree by Hilton Salt Lake City Airport: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of the Doubletree by Hilton Salt Lake City Airport ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. The Doubletree by Hilton Salt Lake City Airport is the only hotel in the subject portfolio that is located in the Salt Lake City metropolitan area.

Location Description

The Subject Hotel is situated at 5151 Wiley Post Way in Salt Lake City, in Salt Lake County, Utah. The hotel is approximately 1.5 miles west of Salt Lake City International Airport and 3.4 miles west of the intersection formed by Interstates 80 and 215. It is located immediately west and adjacent to Charles Lindbergh Drive.

Access to the site is granted via Wiley Post Way which runs east/west along the north perimeter of the site. The site is bordered by Wiley Post Way, followed by offices and retail to the North; Charles Lindbergh Drive, followed by Holiday Inn & Suites and offices to the East; W. Douglas Corrigan Way and Interstate 80 to the South; and office buildings to the West.

The Subject's location is considered excellent, given its immediate proximity to Salt Lake City International Airport, Interstate 80, and sufficient leisure and corporate demand generators. The Subject Site is located 6.0 miles west of Downtown Salt Lake City.

Market Positioning

The Subject Hotel is located within the Salt Lake CBD/Airport tract within the greater Salt Lake City/Ogden lodging market, according to STR. This tract is comprised of 11,323 rooms across a total of 69 hotels. Of the rooms supply, approximately 45.6% are within the upscale class, followed by 20.5% within the upper upscale class, and 15.1% within the upper midscale class. The Subject Hotel is a full-service hotel that falls within the upscale class. In this submarket, the greatest room shares are attributed to Marriott International hotels, Hilton Worldwide hotels, Grand America Hotels & Resort hotels, Independent hotels, and Intercontinental Hotels Group hotels, respectively. The Subject belongs to the Hilton Worldwide family of brands, which account for 17.4% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

In the table below, we have summarized the historical Occupancy, ADR, and RevPAR performance of the Subject Hotel relative to its competitive set. The Subject Hotel realized average annual RevPAR growth 8.0% between 2014 and 2018, compared to 4.2% for its competitive set. As a result, its RevPAR Index has improved from approximately 88% in 2014 to 101% in 2018.

Competitive Set Performance

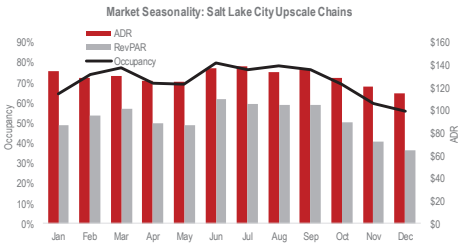
Occupancy	2014	2015	2016	2017	2018
DoubleTree Salt Lake City Airport	72.7%	81.5%	88.1%	87.0%	83.7%
% Change		*12.1%*	*8.1%*	*-1.3%*	*-3.8%*
Competitive Set	72.3%	74.0%	74.5%	78.7%	76.8%
% Change		*2.4%*	*0.7%*	*5.6%*	*-2.4%*
Index (MPI)	100.6	110.1	118.3	110.6	108.9
Average Daily Rate (USD)					
DoubleTree Salt Lake City Airport	$93.51	$100.80	$106.63	$113.95	$110.44
% Change		*7.8%*	*5.8%*	*6.9%*	*-3.1%*
Competitive Set	$107.47	$113.60	$114.07	$118.32	$119.40
% Change		*5.7%*	*0.4%*	*3.7%*	*0.9%*
Index (ARI)	87.0	88.7	93.5	96.3	92.5
RevPAR (USD)					
DoubleTree Salt Lake City Airport	$67.98	$82.15	$93.94	$99.12	$92.40
% Change		*20.8%*	*14.4%*	*5.5%*	*-6.8%*
Competitive Set	$77.67	$84.06	$84.98	$93.07	$91.69
% Change		*8.2%*	*1.1%*	*9.5%*	*-1.5%*
Index (RGI)	87.5	97.7	110.5	106.5	100.8

Competitive set includes: Radisson Hotel Salt Lake City Airport (125 rooms), Courtyard Salt Lake City Airport (154 rooms), Holiday Inn Hotel & Suites Salt Lake City Airport West (111 rooms), Hyatt Place Salt Lake City International Airport (123 rooms), Hilton Garden Inn Salt Lake City Airport (172 rooms).

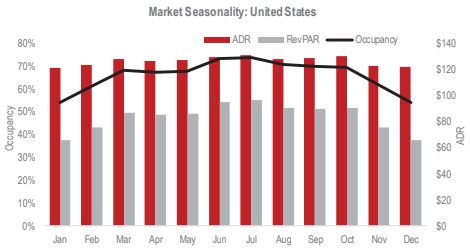
Source: Smith Travel Research

Demand Seasonality

We have estimated the seasonality of demand in the Subject Hotel's market based upon the performance of all upscale, branded hotels in the Salt Lake City lodging market. As shown in the following charts, upscale, branded hotels in the Salt Lake City lodging market are subject to seasonal demand patterns that are not significantly more pronounced than those generally experienced by hotels in the United States. Typically, RevPAR in the U.S. declines during the colder winter months, especially in December when the holidays result in a decline in business-related transient and group travel.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Airport Access

Salt Lake City International Airport is located approximately 1.5 miles east of the Subject Site. From the Subject, motorists would take Interstate 80 East and continuing onto Terminal Drive for a total of 4.0 miles to reach the airport.

Regional/Local Access

Primary regional access is provided by Interstate 80 and Interstate 15, two major thoroughfares that run directly through the city. Interstate 80 runs east toward Cheyenne, Wyoming and west along Great Salt Lake's southern bank toward Reno, Nevada. Interstate 15 runs north toward Idaho Falls, Idaho and south toward Las Vegas, Nevada. Secondary roadways offer additional connectivity throughout the area. For instance, Interstate 215 diverges from Interstate 80 on the east side of Salt Lake City, looping south and west around the city, and then directly north through the western part of the city before converging with Interstate 15 in North Salt Lake. Several alternative routes, such as US Highway 89 (north/south) and several Utah State Routes provide enhanced accessibility to and from Salt Lake City and the surrounding areas.

Public Transportation

The Utah Transit Authority operates a robust system that offers commuter trains ("FrontRunner"), light-rail, ("TRAX") and buses. FrontRunner provides transportation from Ogden to Provo, Utah with limited stops. TRAX lines provide access to Downtown from across the valley. The buses help to connect FrontRunner and TRAX, as well as provide access to the public transportation of other cities in the region.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

DoubleTree Salt Lake City Airport	
Attraction	**Distance to Subject**
Clark Planetarium	5.9 Mi.
City Creek Center	6.4 Mi.
Hale Centre Theatre	6.2 Mi.
Getout Games	6.2 Mi.
Church History Museum	6.3 Mi.
Smith's Ballpark	6.8 Mi.
Temple Square	6.4 Mi.
Utah State Capital	6.6 Mi.
Joseph Smith Memorial Building	6.5 Mi.
Ensign Peak Park	6.7 Mi.

Convention Center

The Calvin L. Rampton Salt Palace Convention Center is located 6.0 miles directly east of the Subject Hotel. The facility sits along both South and West Temple, immediately east of John Stockton Drive in Downtown Salt Lake City, Utah. The center originally opened in 1996, for a total construction cost of $93 million.

Since opening, the venue has undergone two expansions, with the last update completed in 2005. The convention center currently features 515,000 square feet of exhibit space, 164,000 square feet of meeting space, and a 45,000-square-foot ballroom, all of which are divisible.

Community/Infrastructure Development

Reportedly the largest construction project in Utah history, a new Salt Lake City International Airport ("SLC") is under construction adjacent to the existing airport. The project is estimated to cost a total of $3.6 billion. Phase I, currently underway, includes the central terminal, a parking garage, and portions of the new concourses. The number of international gates at SLC will double. Phase I is expected to reach completion in 2020, followed by Phase II by 2024. The new construction will be accessible by light rail, with an access point adjacent to the terminal entrance.

SWOT Analysis

Strengths	Weaknesses
• Located 1.5 miles from Salt Lake International Airport, which is a hub for Delta Airlines • Visible from Interstate 80 • Adjacent/proximity to area business parks catering to technology, defense, manufacturing, pharmaceuticals, life sciences and logistics • 6.0 miles from Salt Lake City which is the capital of Utah • Within one hour of multiple ski resorts	• Predominantly reliant on SLC Airport • No direct public transit route into Salt Lake City Downtown
Opportunities	**Threats**
• New airport under construction (representing the largest construction project in Utah history) • Immediately adjacent to existing airport; will increase capacity as well as international access	• Supply growth in the market may impact RevPAR growth potential to some extent

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The Salt Lake CBD/Airport submarket in which the Subject Hotel is located is primarily known for housing the Salt Lake City International Airport as well as numerous office and retail developments and cultural attractions in Downtown Salt Lake City. The capital city of Utah, Salt Lake City also contains the world headquarters for the Church of Jesus Christ of Latter-day Saints at Temple Square, as shown on the map below.

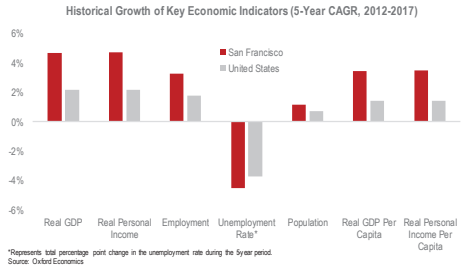
Salt Lake City (MSA rank: #41)
Salt Lake City International Airport
Temple Square / Mormon Tabernacle
Utah State Capitol
Salt Palace Convention Center Energy
Solution Areas
Vivant Smart Home Arena
Great Salt Lake
Cephalon
Liberty Park
Great Salt Lake State Park
Rocky Mountain Raceway
Park City Mountain Resort
Utah Motorsports Campus
Snowbird
Legend
Subject Property
Office
Attractions
Sports Facility
Airport

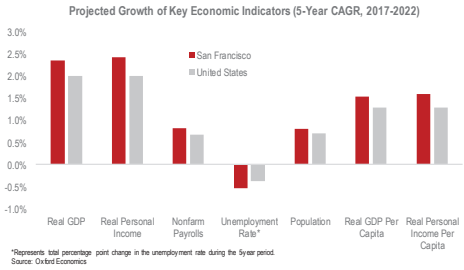
6.11 San Francisco-Oakland-Hayward Metropolitan Statistical Area

The subject portfolio includes two hotels in the vicinity of the San Francisco-Oakland-Hayward metropolitan statistical area, namely the 195-room Four Points by Sheraton San Jose Airport and the 172-room Holiday Inn & Suites San Mateo San Francisco.[26]

6.11.1 Economic Overview

The San Francisco-Oakland-Hayward metropolitan statistical area ("San Francisco" or "San Francisco metropolitan area") has achieved stronger economic growth, as measured by a range of economic indicators, than the United States from 2012 - 2017, and this trend is generally expected to continue during the next five years according to projections from Oxford Economics. From 2012 – 2017, real GDP growth averaged 4.7% per year compared to 2.2% for the U.S. and the unemployment rate declined 4.5 percentage points compared to 3.7 percentage points for the U.S. Robust personal income, employment, and productivity growth all contributed to San Francisco's high real GDP growth rate, which ranks among the highest in the U.S. From 2017 – 2022, , strong personal income, employment, and productivity growth are expected to continue to drive a relatively high real GDP growth rate of 2.4% per year, compared to 2.0% per year for the U.S.





6.11.2 Industry Composition and Key Corporate Demand Drivers

The San Francisco-Oakland-Hayward metropolitan statistical area's economy features a high share of employment in the Professional & Business Services sector as well as in the Trade, Transportation & Utilities sector. The metropolitan area has the seventh largest gross domestic product and twelfth largest population in the United States. The region also features port access to the Pacific Ocean and several commercial airports, including Oakland International Airport, San Jose International Airport, and San Francisco International Airport, which ranks as the seventh busiest by passenger volume in the U.S. The Trade, Transportation & Utilities sector benefits from the region's excellent transportation infrastructure, and the Profession & Business Services sector benefits from its large, economically productive population base. The table below summarizes the share of employment by sector in the San Francisco-Oakland-Hayward metropolitan statistical area in comparison to the national average:

[26] The Four Points by Sheraton San Jose Airport is technically located within the adjacent San Jose-Sunnyvale-Santa Clara metropolitan statistical area, which is significantly smaller in terms of economic output than the San Francisco-Oakland-Hayward metropolitan area. Given the predominance of the San Francisco-Oakland-Hayward metropolitan statistical area in the regional economy and the Four Points by Sheraton San Jose Airport Hotel's proximity to San Francisco, CA, we have focused on growth trends in the San Francisco-Sunnyvale-Santa Clara metropolitan statistical area in our analysis.

Share of Employment by Industry (2017)		
Sector	San Francisco-Oakland-Hayward, CA	United States
Professional & Business Services	20%	14%
Trade, Transportation & Utilities	16%	19%
Education & Health Services	15%	16%
Government	13%	15%
Leisure & Hospitality	11%	11%
Financial Activities	6%	6%
Manufacturing	6%	8%
Natural Resources, Minining & Construction	5%	5%
Information	4%	2%
Other Services	4%	4%
Total	100%	100%

Source: U.S. Bureau of Labor Statistics, Moody's Analytics, JLL

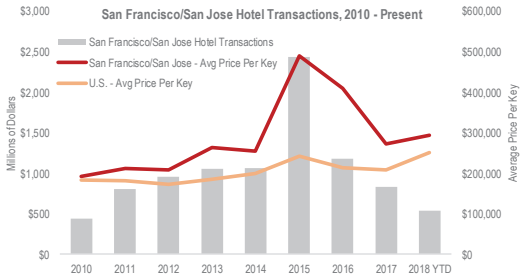
The San Francisco-Oakland-Hayward metropolitan statistical area is also widely known as the epicenter of the U.S. technology industry given its proximity to Silicon Valley and the abundance of world-class educational institutions in the region. As a result, Oracle, Salesforce.com, Tesla, and Uber as well the University of California, San Francisco and the University of California, Berkeley rank among the region's largest employers. The largest companies in the San Francisco-Oakland-Hayward metropolitan statistical area are summarized in the following table:

Major Employers: San Francisco-Oakland-Hayward, CA Metropolitan Division		
Rank	Employer	Employees
1	University of California, San Francisco	25,522
2	University of California, Berkeley	23,962
3	Kaiser Permanente	16,251
4	Safeway Inc.	15,682
5	Wells Fargo	13,749
6	Tesla	10,000
7	Genentech Inc.	8,800
8	Chevron Corp.	8,000
9	Oracle Corp.	7,000
10	Salesforce.com Inc.	7,000
11	John Muir Health	6,570
12	Sutter Health	6,447
13	California Pacific Medical Center	6,000
14	Dignity Health	5,393
15	Lam Research Corp.	5,265
16	Uber Technologies Inc.	5,000
17	Alta Bates Summit Medical Center	4,561
18	PG&E Corp.	4,325
19	Gap Inc.	4,268
20	Lawrence Berkeley National Laboratory	4,200

Source: Oxford Economics, JLL

6.11.3 Hotel Investment Overview

Hotel transactions totaling approximately $9.3 billion have occurred in the combined San Francisco/San Mateo and San Jose/Santa Cruz lodging markets since 2010, making it the second most liquid lodging market in the U.S. after New York. Hotel sales volume in the San Francisco/San Jose lodging market peaked at $2.4 billion in 2015 but has remained high with sales volume of $1.2 billion in 2016 and approximately $800 million in 2017. Surveying hotel transactions in the market since 2015, the San Francisco/San Jose market's average capitalization rate amounts to 6.1%, compared to 7.4% for transactions nationwide, and its average sales price is approximately $392,000 per key, compared to $228,000 per key for the U.S. As the second largest investment market in the U.S. with especially high barriers to new development, the combined San Francisco/San Mateo and San Jose/Santa Cruz lodging market ("San Francisco/San Jose") attracts significant investor interest and commands premium pricing relative to most other U.S. lodging markets.



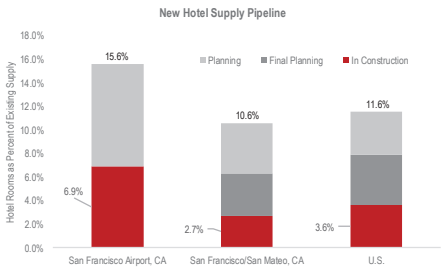
Note: Includes single-asset hotel transactions in the San Francisco/San Mateo, CA, and San Jose/Santa Cruz, CA., markets, as defined by Smith Travel Research. YTD data as of Sep 2018. Source: JLL.

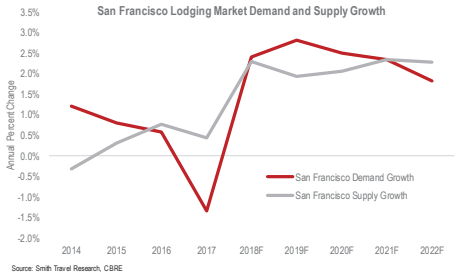
6.11.4 Lodging Market Performance

There are two large lodging markets in the vicinity of the San Francisco-Oakland-Hayward metropolitan statistical area, namely the San Francisco/San Mateo ("San Francisco") lodging market and the San Jose/Santa Cruz ("San Jose") lodging market, both of which are relevant with respect to the subject portfolio.

San Francisco/San Mateo Lodging Market Performance

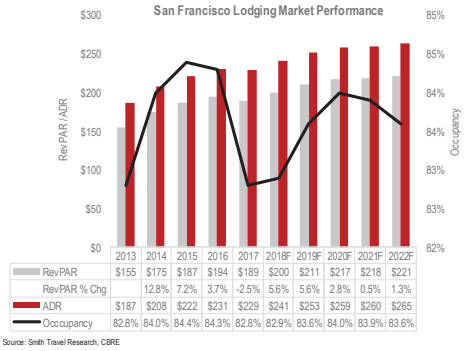
The active new supply pipeline for the San Francisco lodging market, which includes hotel rooms in the planning, final planning, and construction stages, is slightly lower than the national average. According to data compiled by Smith Travel Research, the pipeline in San Francisco amounts to 10.6% of existing rooms inventory, compared to 11.6% for the U.S. The San Francisco Airport submarket, which contains the subject portfolio's San Francisco area hotel, features a moderately larger pipeline. Despite rising supply growth in San Francisco, high development costs and a restrictive entitlement process are expected to keep supply growth moderate, while the region's robust economy and the reopening of the Moscone Convention Center are expected to fuel strong demand growth. As a result, demand growth is expected to outpace supply growth during the next few years according to projections from CBRE. We expect that demand growth and supply growth may be more balanced in the San Francisco Airport submarket, however, given its larger supply pipeline.



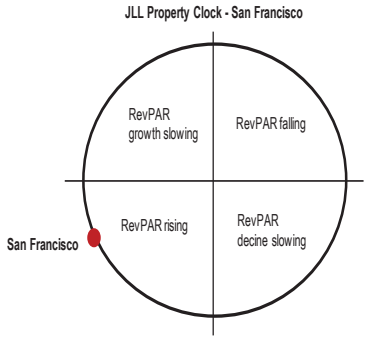


The San Francisco lodging market realized average annual RevPAR growth between 2013 and 2017 of 5.1%, ranking 38th among 60 major U.S. lodging markets for which we have available data. ADR growth has been the primary driver of RevPAR gains given limited capacity for further occupancy growth with the market's occupancy rate hovering at or above 83% since 2013. Moderate increases in supply coupled with the disruption of activity at the Moscone Convention Center during its multi-year renovation resulted decelerating ADR growth from 7.2% in 2015 to -0.7% in 2017. Following the reopening of the convention center in 2018, the San Francisco market is expected to benefit from

renewed RevPAR growth of 5.6% per year in 2018 and 2019. As a result, RevPAR growth between 2017 and 2022 is expected to average 3.1% annually, ranking 3rd among 60 major U.S. lodging markets according to projections from CBRE. In addition, San Francisco International Airport has seen its passenger traffic increase by 20 million passengers per annum from 2007 to 2017. The charts below summarize historical and projected RevPAR growth in the San Francisco market as well as its position on JLL's Property Clock.

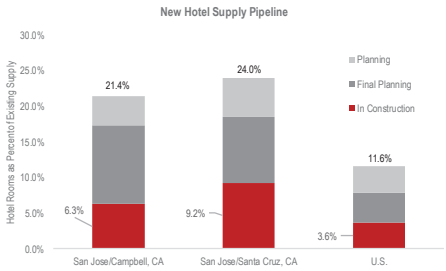


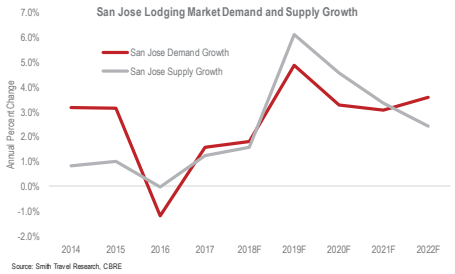
	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$155	$175	$187	$194	$189	$200	$211	$217	$218	$221
RevPAR % Chg		12.8%	7.2%	3.7%	-2.5%	5.6%	5.6%	2.8%	0.5%	1.3%
ADR	$187	$208	$222	$231	$229	$241	$253	$259	$260	$265
Occupancy	82.8%	84.0%	84.4%	84.3%	82.8%	82.9%	83.6%	84.0%	83.9%	83.6%



San Jose/Santa Cruz Lodging Market Performance

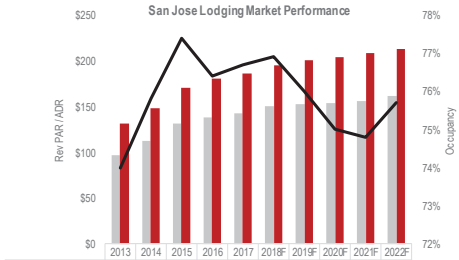
The active new supply pipeline for the San Jose/Sant Cruz market, which includes hotel rooms in the planning, final planning, and construction stages, is significantly higher than the national average. According to data compiled by Smith Travel Research, San Jose/Santa Cruz's pipeline amounts to 24.0% of existing rooms inventory, compared to 11.6% for the U.S. The San Jose/Campbell submarket, which contains the subject portfolio's hotel in the area, features a similarly sized pipeline. The composition of the market's pipeline suggests rising supply growth during the next few years, but demand growth is expected to nearly keep pace with supply growth according to projections from CBRE given the area's robust economy.





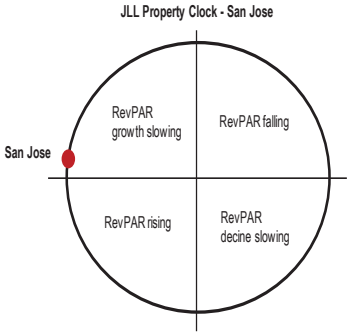
The San Jose/Santa Cruz lodging market realized average annual RevPAR growth between 2013 and 2017 of 10.0%, ranking 3rd among 60 major U.S. lodging markets for which we have available data. Similar to the San Francisco lodging market, the San Jose lodging market has maintained relatively steady occupancy during recent years, and ADR growth has primarily propelled RevPAR growth. ADR growth has been decelerating, however, as supply growth has weighed on the market to some extent, and we expect that this trend will continue with ADR growth decelerating from 4.9% in 2018 to 1.9% by 2020. At the same time, robust economic growth is expected to keep supply-driven occupancy declines in the market minimal but noticeable. As a result, RevPAR growth between 2017 and 2022 is expected

to average 2.5% annually, ranking 11th among 60 major U.S. lodging markets according to projections from CBRE. The charts below summarize historical and projected RevPAR growth in the San Jose lodging market as well as its position on JLL's Property Clock.



	2013	2014	2015	2016	2017	2018F	2019F	2020F	2021F	2022F
RevPAR	$97	$113	$132	$138	$143	$150	$152	$153	$156	$161
RevPAR % Chg		15.6%	17.0%	5.0%	3.2%	5.1%	1.5%	0.6%	2.0%	3.2%
ADR	$132	$149	$170	$181	$186	$195	$200	$204	$209	$213
Occupancy	74.0%	75.8%	77.4%	76.4%	76.7%	76.9%	76.0%	75.0%	74.8%	75.7%

Source: Smith Travel Research, CBRE



6.11.5 Holiday Inn Hotel & Suites San Mateo: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of the Holiday Inn Hotel & Suites San Mateo ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. The Holiday Inn Hotel & Suites San Mateo is among two hotels in the subject portfolio that are located in the San Francisco Bay Area.

Location Description

The Subject Hotel is situated at 330 North Bayshore Boulevard in the City of San Mateo, in San Mateo County, California. The hotel is approximately 3.8 miles southeast of San Francisco International Airport and 2.3 miles northwest of the intersection formed by U.S. Route 101 and California State Route 92. It is located along North Bayshore Boulevard, along the northeastern perimeter of the Shoreview neighborhood.

Access to the site is granted via North Bayshore Boulevard which runs southeast/northwest along the southwest perimeter of the site. Additional access is available via Dore Avenue, located along the southeast perimeter of the property. The site is bordered by Rogell Avenue to the North; North Kingston Street to the East; Dore Avenue to the South; and North Bayshore Boulevard to the West.

The Subject's location is considered excellent, given its immediate proximity to San Francisco International Airport and peninsula-based corporate demand generators. The Subject Site is located approximately 15.0 miles south of Downtown San Francisco and approximately 1.3 miles north of Central San Mateo.

Market Positioning

The Subject Hotel is located within the San Francisco Airport tract within the greater San Francisco/San Mateo lodging market, according to STR. This tract is comprised of 8,943 rooms across a total of 61 hotels. Of the rooms supply, approximately 32.7% are within the upper upscale class, followed by 27.6% within the upscale class, and 19.4% within the upper midscale class. The Subject Hotel is a full-service hotel that falls within the upper midscale class. In this submarket, the greatest room shares are

attributed to Marriott International hotels, Hilton Worldwide hotels, Intercontinental Hotels Group hotels, Independent hotels, and Hyatt hotels, respectively. The Subject belongs to the Intercontinental Hotels Group family of brands, which account for 11.5% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

In the table below, we have summarized the historical Occupancy, ADR, and RevPAR performance of the Subject Hotel relative to its competitive set. The Subject Hotel realized an average annual decline in RevPAR of 5.0% between 2015 and 2018, compared to average annual RevPAR growth of 0.1% for its competitive set. As a result, its RevPAR Index has declined from approximately 101% in 2015 to 87% in 2018.

Competitive Set Performance

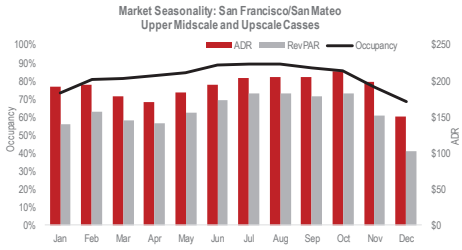
Occupancy	2015	2016	2017	2018
Holiday Inn & Suites San Mateo San Francisco / San Mateo Airport Hotel	93.6%	89.6%	75.7%	79.7%
% Change		*-4.2%*	*-15.5%*	*5.3%*
Competitive Set	87.7%	86.0%	85.7%	83.7%
% Change		*-1.9%*	*-0.3%*	*-2.3%*
Index (MPI)	106.7	104.2	88.3	95.2
Average Daily Rate (USD)				
Holiday Inn & Suites San Mateo San Francisco / San Mateo Airport Hotel	$162.27	$169.65	$168.27	$163.36
% Change		*4.5%*	*-0.8%*	*-2.9%*
Competitive Set	$171.12	$174.47	$175.64	$179.64
% Change		*2.0%*	*0.7%*	*2.3%*
Index (ARI)	94.8	97.2	95.8	90.9
RevPAR (USD)				
Holiday Inn & Suites San Mateo San Francisco / San Mateo Airport Hotel	$151.81	$152.02	$127.38	$130.19
% Change		*0.1%*	*-16.2%*	*2.2%*
Competitive Set	$150.04	$150.08	$150.58	$150.42
% Change		*0.0%*	*0.3%*	*-0.1%*
Index (RGI)	101.2	101.3	84.6	86.5

Competitive set includes: Holiday Inn San Francisco Airport (224 rooms), Hilton Garden Inn San Mateo (157 rooms), Four Points by Sheraton Hotel & Suites San Francisco Airport (101 rooms), Hampton Inn Suites San Francisco Burlingame (78 rooms), Best Western Coyote Point Inn (99 rooms).

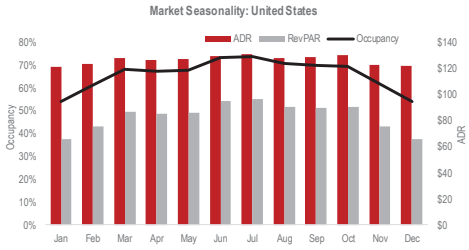
Source: Smith Travel Research

Demand Seasonality

We have estimated the seasonality of demand in the Subject Hotel's market based upon the performance of all hotels in the upper midscale and upscale classes in the San Francisco/San Mateo lodging market. As shown in the following charts, hotels in these classes in the San Francisco/San Mateo lodging market are subject to seasonal demand patterns that are not significantly more pronounced than those generally experienced by hotels in the United States. Typically, RevPAR in the U.S. declines during the colder winter months, especially in December when the holidays result in a decline in business-related transient and group travel.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Airport Access

San Francisco International Airport is located approximately 4.5 miles northwest of the Subject Site. From the Subject, motorists would take North Bayshore Boulevard, following signage to US Highway 101 North, traveling 3.5 miles to arrive at the airport.

Regional/Local Access

Primary regional access is provided by Interstate 280, a major thoroughfare that runs north/south along the western edge of the city of San Mateo. Interstate 280 runs north toward its terminus in San Francisco and south toward San Jose, California. Secondary roadways offer additional connectivity throughout the area. For instance, US Highway 101 (north/south) and several California State Routes provide enhanced accessibility to and from San Mateo and the surrounding areas.

Public Transportation

The San Mateo County Transportation Authority ("SMCTA") operates a network of bus, train, and ferry services in the area. Caltrain provides a rail service that travels through San Mateo, running from Gilroy in the south to its northern terminus in the City of San Francisco. Bus service by samTrans provides connectivity throughout San Mateo County and into parts of San Francisco to the north and Palo Alto to the south. Regional transit is also facilitated by Bay Area Rapid Transit ("BART") with northbound train service at Millbrae station (4.0 miles northwest of the Subject Hotel) through the city of San Francisco and several east bay destinations. Additional transit service is available via the San Francisco Bay Area Water Emergency Transportation Authority, which offers commuter ferry services between South San Francisco and Oakland.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

Holiday Inn & Suites San Mateo	
Attraction	Distance to Subject
CuriOdyssey	0.8 mi.
Coyote Point Recreation Area	0.6 mi.
Pulgas Water Temple	6.6 mi.
Japanese Gardens	1.2 mi.
Central Park	1.2 mi.
Sawyer Camp Trail	4.1 mi.
Shoreline Parks	2.1 mi.
Parkside Aquatic Park and Launch Ramp	2.0 mi.
Burlingame Museum of Pez Memorabilia	1.3 mi.
Beresford Park	2.9 mi.

Convention Center

The San Mateo County Event Center, located 2.5 miles from the Subject Hotel, is situated adjacent to Bay Meadows Park in San Mateo, directly east of California State Route 82/South El Camino Real, south of California State Route 92, and west of US Highway 101.

The convention center currently offers 195,000 square feet of space, including a 100,000-square-foot exhibition hall. The facility also features 48 acres of parking and outside activities space.

Alternatively, the Moscone Center in Downtown San Francisco is located 15.0 miles north northwest of the Subject Hotel. The center was opened in 1981 and has since undergone a series of expansions since. The Moscone Center is currently undergoing a $551 million expansion and renovation slated to open in 2019. Upon completion, the center will feature an additional 305,000 square feet of functional space. The center currently consists of more than 700,000 square feet of exhibit space, up to 106 meeting rooms, and nearly 123,000 square feet of prefunction/registration space.

Community/Infrastructure Development

Proposed Projects that will impact the area include an underground connection between CalTrain and the new Transbay Transit Center in Downtown San Francisco, at an estimated cost of $2.6 billion and completion date of 2026. The Valley Transportation Authority also plans to extend BART through downtown San Jose and Santa Clara at a cost of $4.9 billion. Currently, Milpitas BART Station is one of two stations that are part of the 10-mile Berryessa Extension into Silicon Valley, which will run directly though San Mateo. As of September 2018, delays to the extension were announced, indicating that some of the equipment installed did not comply with contract requirements. Passenger service is expected to begin by the end of 2019.

Meanwhile, San Francisco International Airport is undergoing a renovation of Terminal 1 as part of a larger four-phase project, slated for completion in 2022. The cost of the construction is an estimated $2.4 billion.

SWOT Analysis

Strengths	Weaknesses
• 4.5 miles from to San Francisco International Airport • 1.3 miles from central San Mateo • Full restaurant on-site • Accessibility to roadways and airport • 2.5 miles from to San Mateo Event Center & corporate offices • Hotel offers airport shuttle	• Predominantly reliant on SFO business •
Opportunities	**Threats**
• Potential for RevPAR growth post renovation • Major airport renovations should allow SFO to accommodate more passengers; increased visitation • Location along Berryessa BART extension to open in late 2019 • Airline crew contracts as airport operations grow • MSA is widely known as the epicenter of the U.S. technology industry given proximity to Silicon Valley and abundance of world-class educational institutions. • San Mateo County is home to Facebook HQ	• Potential impact of hotel supply pipeline for SFO • Rising labor costs in the San Francisco market

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The San Francisco Airport submarket in which the Subject Hotel is located is primarily known as the site of San Francisco International Airport as well as for the large concentration of office developments and technology company headquarters in the area given its proximity to Silicon Valley. The location of notable company offices in the area have been shown on the following map as well.

San Francisco (MSA rank #7)
Union Square
AT&T Park
Fisherman's Wharf
Downtown San Francisco
San Francisco Airport
Coyote Point Museum
Facebook
Holiday Inn Hotel & Suites San Mateo
Sony Computer Equipment HQ
Visa HQ
San Mateo County Event Center
Franklin Templeton
Oracle HQ
Great America Theme Park
Legend
Subject Property
Shopping
Office
Attractions
Sports Facility
Airport

6.11.6 Four Points by Sheraton San Jose Airport: Asset Overview and Market Positioning

In the following sections, we have summarized key aspects of the Four Points by Sheraton San Jose Airport ("Subject Hotel") that are expected to impact its future performance. We have included a summary of its location, market positioning, demand generators, and historical RevPAR performance relative to its competitive set. We have also included an assessment of its key strengths, weaknesses, opportunities, and threats. The Four Points by Sheraton San Jose Airport is among two hotels in the subject portfolio that are located in the San Francisco Bay Area.

Location Description

The Subject Hotel is situated at 1471 North 4th Street in the City of San Jose, in Santa Clara County, California. The hotel is less than 0.5 mile west of the intersection formed by Interstate 880 and U.S. Route 101. It is located along North 4th Street, roughly halfway between East Gish Road and Archer Street.

Access to the site is granted via North 4th Street which runs north/south along the northeast perimeter of the site. The site is bordered by Diamond Mitsubishi Fuso Truck Service and Repair to the North; North 4th Street to the East; 4th Street Bowl to the South; and atrium gardens and parking garage to the West.

The Subject's location is considered very good, given its immediate proximity to Mineta San Jose International Airport and Levi's Stadium, as well as leisure and tech-related corporate demand generators. The Subject Site is located approximately 2.0 miles east of Mineta San Jose International Airport San Jose.

Market Positioning

The Subject Hotel is located within the San Jose/Campbell tract within the greater San Jose/Santa Cruz lodging market, according to STR. This tract is comprised of 9,879 rooms across a total of 82 hotels. Of the rooms supply, approximately 32.4% are within the upscale class, followed by 20.1% within the economy class, and 17.6% within the upper midscale class. Although hotels affiliated with the Four Points by Sheraton brand typically feature select-service amenities, the Subject Hotel is a full-service hotel that falls within the upscale class. In this submarket, the greatest room shares are attributed to Marriott International hotels, Hilton Worldwide hotels, Independent hotels, Accor Company hotels, and Wyndham Worldwide hotels, respectively. The Subject belongs to the Marriott International family of brands, which account for 29.9% of the rooms supply in this submarket.

Competitive Set and Relative RevPAR Performance

In the table below, we have summarized the historical Occupancy, ADR, and RevPAR performance of the Subject Hotel relative to its competitive set. The Subject Hotel realized average annual RevPAR growth 19.3% between 2014 and 2018, primarily due to significant RevPAR growth in 2015, compared to 6.8% for its competitive set. As a result, its RevPAR Index has improved from approximately 75% in 2014 to 116% in 2018.

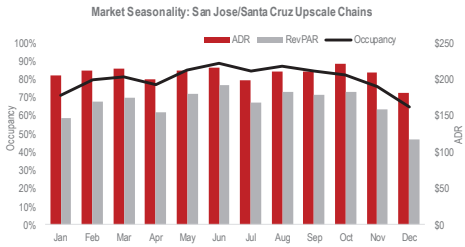
Competitive Set Performance					
Occupancy	**2014**	**2015**	**2016**	**2017**	**2018**
Four Points by Sheraton San Jose Airport	65.7%	78.0%	83.0%	80.7%	83.8%
% Change		*18.8%*	*6.3%*	*-2.7%*	*3.8%*
Competitive Set	74.4%	73.4%	72.3%	72.9%	72.9%
% Change		*-1.3%*	*-1.5%*	*0.8%*	*0.0%*
Index (MPI)	88.3	106.3	114.8	110.7	114.9
Average Daily Rate (USD)					
Four Points by Sheraton San Jose Airport	$116.08	$149.93	$161.66	$171.39	$184.38
% Change		*29.2%*	*7.8%*	*6.0%*	*7.6%*
Competitive Set	$137.46	$160.22	$166.13	$167.01	$182.24
% Change		*16.6%*	*3.7%*	*0.5%*	*9.1%*
Index (ARI)	84.4	93.6	97.3	102.6	101.2
RevPAR (USD)					
Four Points by Sheraton San Jose Airport	$76.26	$117.01	$134.10	$138.34	$154.43
% Change		*53.4%*	*14.6%*	*3.2%*	*11.6%*
Competitive Set	$102.30	$117.62	$120.09	$121.73	$132.85
% Change		*15.0%*	*2.1%*	*1.4%*	*9.1%*
Index (RGI)	74.6	99.5	111.7	113.6	116.2

Competitive set includes: Wyndham Garden Hotel San Jose (196 rooms), La Quinta Inns & Suites San Jose Airport (145 rooms), Sonesta Silicon Valley San Jose (236 rooms), Holiday Inn San Jose Silicon Valley (354 rooms), Courtyard San Jose Airport (151 rooms), Country Inn & Suites San Jose International Airport (126 rooms).

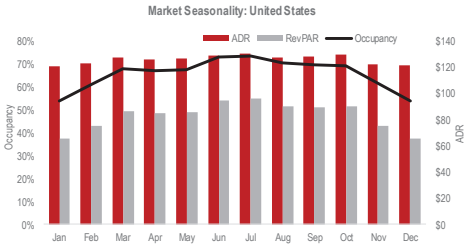
Source: Smith Travel Research

Demand Seasonality

We have estimated the seasonality of demand in the Subject Hotel's market based upon the performance of all upscale, branded hotels in the San Jose/Santa Cruz lodging market. As shown in the following charts, upscale, branded hotels in the San Jose/Santa Cruz lodging market are subject to seasonal demand patterns that are not significantly more pronounced than those generally experienced by hotels in the United States. Typically, RevPAR in the U.S. declines during the colder winter months, especially in December when the holidays result in a decline in business-related transient and group travel.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.



Note: Data pertain to 2017 performance. Source: Smith Travel Research.

Airport Access

Norman Y. Mineta San Jose International Airport is located approximately 1.1 miles west of the Subject Site. From the Subject, motorists would take North 4th Street, continuing onto Matrix Boulevard/Technology Place before turning left onto Airport Parkway.

Regional/Local Access

Primary regional access is provided by Interstates 280, 680, and 880, three major thoroughfares that run directly through or into the city of San Jose. Interstate 280 runs northwest toward San Francisco, with a southeastern terminus just south of Downtown San Jose. Interstate 680 runs north from its terminus just south of Downtown San Jose to Interstate 80 in Fairfield. Interstate 880 runs northward from its southern terminus at I-280 in southwest San Jose to Oakland. Secondary roadways offer additional connectivity throughout the area. For instance, US Highway 101 (north/south) and several California State Routes provide enhanced accessibility to and from San Jose and the surrounding areas.

Public Transportation

The Valley Transportation Authority ("VTA") operates a network of bus and light rail throughout Santa Clara County. Caltrain provides a rail service that runs through San Jose, connecting Gilroy in the south to its northern terminus in the City of San Francisco. Access to Stockton is provided by the Altamont Corridor Express ("ACE") and Capitol Corridor provides rail services extending north through Sacramento.

List of Top Attractions

The table below provides a summary of attractions in the local market as well as their distance from the Subject Hotel:

Four Points by Sheraton San Jose Airport	
Attraction	**Distance to Subject**
Downtown San Jose	2.2 mi.
California's Great America	4.4 mi.
Solar4America Ice	4.0 mi.
The Tech Museum of Innovation	2.5 mi.
Levi's Stadium	4.3 mi.
Santana Row	3.7 mi.
Municipal Rose Garden	2.5 mi.
San Jose Museum of Art	2.4 mi.
San Pedro Square Market	2.1 mi.
Willow Glen	4.3 mi.

Convention Center

The San Jose McEnery Convention Center, located 2.7 miles from the Subject Hotel, is situated along the southwest side of South Market Street, between Viola Avenue and West San Carlos Street in Downtown San Jose. The center originally opened in 1989.

The venue's most recent expansion was completed in 2013. The convention center currently features 630,000 square feet of space, including 245,000 of exhibit space across two halls, 31 meeting rooms, and banquet facilities.

Community/Infrastructure Development

Proposed Projects that will impact the area include an underground connection between CalTrain and the new Transbay Transit Center in Downtown San Francisco, at an estimated cost of $2.6 billion and completion date of 2026. The Valley Transportation Authority also plans to extend BART through

downtown San Jose and Santa Clara at a cost of $4.9 billion. Currently, the 10-mile Berryessa Extension into Silicon Valley is under construction. As of September 2018, delays to the extension were announced, indicating that some of the equipment installed did not comply with contract requirements. Passenger service is expected to begin by the end of 2019.

Meanwhile, Norman Y. Mineta San Jose International Airport is expected to begin a billion-dollar expansion over the next few years. The project would expand Terminal B with a four-gate facility connected at the south end by mid-2019, costing roughly $50 million. The facility is intended to serve as a temporary solution to the increasing traffic, while officials plan to construct permanent facilities.

SWOT Analysis

Strengths	Weaknesses
• Proximity and access to San Jose International Airport which is 1.1 miles away • Immediately adjacent to I-880, US Highway 101; proximate to CA Route 87, Interstate 680	• Predominantly reliant on Airport business • Industrial, airport-adjacent neighborhood
Opportunities	**Threats**
• Airport renovations should allow SJC to accommodate more passengers; enhance profile of airport • BART extension through San Jose to Berryessa/North San Jose will open by end of 2019 • Airline crew contracts as airport operations grow • South Bay corporate business • Capture additional demand from proximity to Silicon Valley; San Jose is home to eBay, Paypal, Cisco Systems, Adobe Systems • Addition of new parking system may capture more parking revenue	• Supply growth in the market may impact RevPAR growth potential to some extent

Map of Local Market Highlights

In the following map, we have illustrated the location of the Subject Hotel in relation to proximate attractions in the area as well as other key points of interest. The San Jose/Campbell submarket in which the Subject Hotel is located is primarily known as the site of San Jose International Airport as well as for the large concentration of office developments and technology company headquarters in the area given its location within Silicon Valley. The location of notable company offices in the area have been shown on the following map as well.

San Francisco (MSA rank: #7)
Samsung Semiconductor HQ
Cisco Systems HQ
Levi's Stadium
Google
California's Great America
Intel HQ
Fry's Electronics HQ
Palo Alto Networks HQ
Advanced Micro Devices
PayPal HQ
NVIDIA
Your Points To Mandate San Jose Airport
San Jose International Airport
Santa Clara University
San Jose State University
Avaya Stadium
Apple Campus
SAP Center at San Jose
Legend
Subject Property
Shopping
Office
Adventure
Airport
Westfield Valley Fair
Children's Discovery Museum of San Jose
Downtown San Jose
eBay HQ
2km

7 Appendix

7.1 Summary of Sources

JLL relied upon data provided by third parties in the production of this report. As referenced throughout JLL's report, JLL primarily relied upon economic forecasts from Oxford Economics and Moody's Analytics and historical economic data from the U.S. Bureau of Economic Analysis and the U.S. Bureau of Labor Statistics. JLL also replied upon Occupancy, ADR, RevPAR, lodging supply, and lodging demand projections from CBRE and historical hotel performance data from Smith Travel Research. JLL summarized key characteristics of the U.S. lodging market and global lodging markets based upon Smith Travel Research's list of existing global hotel supply and proposed hotel development projects as of August 2018.

7.2 Summary of Public Lodging REIT Portfolios

In Section 5, JLL compared the composition of the subject portfolio to the portfolios of other publicly traded lodging REITs in the U.S. JLL excluded any international assets, which were few in number, from its compilation. JLL generally included partially owned assets, except in instances where assets were co-owned by more than one REIT. The list of assets in each portfolio was compiled in late August 2018, based upon the property lists provided on each REIT's website, and is available upon request.

7.3 Summary of 60 Lodging Markets Tracked by CBRE

In Section 6, JLL ranked the performance of the subject portfolio's lodging markets among the 60 major lodging markets tracked by CBRE. The following table summarizes the historical and projected RevPAR growth for each of the 60 lodging markets and provides the growth ranking for each market as well.

60 U.S. Lodging Markets Tracked by CBRE					
Rank	Market	Historical RevPAR Growth (2013-2017 CAGR)	Rank	Market	Projected RevPAR Growth (2017-2022 CAGR)
1	Sacramento	10.6%	1	Jacksonville	3.3%
2	Nashville	10.5%	2	Tucson	3.2%
3	San Jose-Santa Cruz	10.0%	3	San Francisco	3.1%
4	Jacksonville	9.4%	4	Fort Lauderdale	3.0%
5	Oakland	9.3%	5	Miami	2.8%
6	Tampa	9.2%	6	Oakland	2.8%
7	Richmond	8.0%	7	Philadelphia	2.8%
8	Portland	8.0%	8	West Palm Beach	2.7%
9	Atlanta	7.9%	9	Los Angeles	2.5%
10	Kansas City	7.8%	10	Norfolk-VA Beach	2.5%
11	Orlando	7.7%	11	San Jose-Santa Cruz	2.5%
12	Los Angeles	7.6%	12	Orlando	2.4%
13	Seattle	7.4%	13	San Diego	2.4%
14	Phoenix	7.4%	14	New York	2.4%
15	Tucson	7.3%	15	Newark	2.3%
16	Norfolk-VA Beach	7.3%	16	Atlanta	2.3%
17	Charlotte	7.3%	17	Long Island	2.3%
18	Denver	7.2%	18	Pittsburgh	2.2%
19	Dayton	7.2%	19	Detroit	2.1%
20	Indianapolis	7.1%	20	San Antonio	2.1%
21	Salt Lake City	7.0%	21	Raleigh-Durham	2.1%
22	Savannah	6.8%	22	Columbia	2.0%
23	Cincinnati	6.5%	23	Cincinnati	2.0%
24	Detroit	6.5%	24	Cleveland	2.0%
25	Charleston	6.5%	25	Minneapolis	2.0%
26	Memphis	6.5%	26	Tampa	1.9%
27	Anaheim	6.5%	27	Hartford	1.9%
28	San Diego	6.3%	28	Chicago	1.8%
29	Fort Worth	6.2%	29	Phoenix	1.8%
30	Dallas	6.1%	30	New Orleans	1.8%
31	Raleigh-Durham	6.0%	31	Houston	1.8%
32	Columbia	5.6%	32	Anaheim	1.8%
33	Fort Lauderdale	5.5%	33	Albany	1.7%
34	Albuquerque	5.3%	34	Sacramento	1.7%
35	West Palm Beach	5.3%	35	Oahu	1.7%
36	Saint Louis	5.2%	36	Indianapolis	1.7%
37	Columbus	5.2%	37	Seattle	1.7%
38	San Francisco	5.1%	38	Louisville	1.6%
39	Boston	4.9%	39	Dallas	1.5%
40	Washington DC	4.8%	40	Saint Louis	1.5%
41	Louisville	4.8%	41	Albuquerque	1.5%
42	Hartford	4.4%	42	Omaha	1.5%
43	Austin	4.1%	43	Richmond	1.4%
44	Milwaukee	3.9%	44	Fort Worth	1.4%
45	Minneapolis	3.6%	45	Boston	1.4%
46	Newark	3.5%	46	Austin	1.3%
47	San Antonio	3.2%	47	Milwaukee	1.2%
48	Philadelphia	3.1%	48	Memphis	1.2%
49	Chicago	3.0%	49	Dayton	1.1%
50	Oahu	2.8%	50	Washington DC	1.0%
51	Long Island	2.7%	51	Salt Lake City	1.0%
52	Baltimore	2.5%	52	Denver	0.9%
53	Cleveland	1.9%	53	Nashville	0.9%
54	Miami	1.7%	54	Charlotte	0.9%
55	Albany	1.7%	55	Baltimore	0.7%
56	New Orleans	1.6%	56	Columbus	0.7%
57	Omaha	1.4%	57	Charleston	0.4%
58	Houston	0.7%	58	Savannah	0.3%
59	New York	-0.7%	59	Portland	0.2%
60	Pittsburgh	-2.0%	60	Kansas City	-0.1%

Source: CBRE, Projections as of August 2018

7.4 Summary of 25 Most Liquid U.S. Lodging Markets

In Section 6, JLL also referenced its rankings of the most liquid lodging markets in the U.S., as measured by total hotel transactions volume occurring since 2010. JLL's complete list of the 25 most liquid lodging markets in the U.S. is summarized in the following table.

Total Hotel Transactions by Market, 2010 -2018		
1	New York	$24,200,000,000
2	San Francisco/San Jose	$9,300,000,000
3	Los Angeles/Anaheim	$8,600,000,000
4	Washington DC	$7,100,000,000
5	Miami/Fort Lauderdale	$8,200,000,000
6	Oahu Island	$4,900,000,000
7	Chicago	$4,700,000,000
8	Boston	$4,400,000,000
9	San Diego	$4,000,000,000
10	Atlanta	$3,100,000,000
11	Phoenix	$2,700,000,000
12	Orlando	$2,300,000,000
13	Dallas/Fort Worth	$2,500,000,000
14	Seattle	$2,100,000,000
15	Denver	$2,000,000,000
16	Florida Keys	$1,900,000,000
17	California Central Coast	$1,800,000,000
18	Tampa	$1,800,000,000
19	Minneapolis	$1,700,000,000
20	Houston	$1,700,000,000
21	Philadelphia	$1,500,000,000
22	California North	$1,500,000,000
23	New Orleans	$1,500,000,000
24	Austin	$1,400,000,000
25	Portland	$1,400,000,000

Source: JLL

7.5 Smith Travel Research Definitions

We have provided key definitions related to aspects of hotel positioning, hotel operations, and hotel management from Smith Travel Research below:

Chain Scale *– Chain Scale segments are grouped primarily according to actual average room rates. An independent hotel regardless of average room rate, is included as a separate Chain Scale category. The Chain Scale segments are: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, Economy and Independent. These Chain Scales are generally defined as follows:*

- **Upper Upscale:** full service hotels that typically offer a full range of on-property amenities and services, including full service, all-day restaurants, room service (in most cases), recreational facilities, a fitness center, and business centres. In some cases, the hotels feature concierges and spas. For hotels that are in an airport market, they often offer a shuttle service to airport.
- **Upscale:** hotels that are generally of a premium select service positioning, offering an array of on-property amenities and services, including a F&B outlet offering breakfast (and in some cases a three-meal operation), recreational facilities (in some cases), a fitness center and business centres. For hotels that are in an airport market, they often offer a shuttle service to airport.
- **Upper Midscale:** select service hotels that feature a breakfast buffet, selected on-property amenities to include a fitness center and selected business services. For hotels that are in an airport market, they often offer a shuttle service to airport.

Class *– A categorization of chain-affiliated and independent hotels. The class for a chain-affiliated hotel is the same as its Chain Scale. An independent hotel is assigned a class based on its ADR, relative to that of the chain hotels in their geographic proximity. The class segments are: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale and Economy.*

Location Type *– Property classification driven by physical location regardless of amenities or services offered. Location types include:*

- *Urban: Densely populated location in a large metropolitan area. (e.g., Atlanta, Boston, San Francisco, London, Tokyo).*
- *Suburban: Suburbs or metropolitan markets. Examples are Sag Harbor and White Plains, NY (near New York City, USA) and Croydon and Wimbledon (near London, UK). Distance from center city varies based on population and market orientation.*
- *Airport: Property in close proximity to an airport that primarily serves demand from airport traffic. Distance may vary.*
- *Interstate/Motorway: Property in close proximity to major highway, motorway or other major roads with the primary source of business via passerby travel. Hotels located in suburban areas have the suburban classification.*
- *Resort: Property located in a resort area or market where a significant source of business is derived from leisure/destination travel. Examples: Orlando, Lake Tahoe, Daytona Beach, Hilton Head Island, Virginia Beach.*
- *Small Metro/Town: Area with either a smaller population or remote locations with limited services. Size varies by market orientation. Suburban locations do not exist in proximity to*

these areas. In North America, metropolitan small town areas are populated with less than 150,000 people.

Group Rooms *– Typically defined as 10 or more rooms per night, sold pursuant to a signed agreement.*

Transient Rooms *– Includes rooms sold to individuals or groups occupying less than 10 rooms per night.*

Contract Rooms *– A consistent block of rooms committed at stipulated contract rates for an extended period over 30 days with payment guaranteed regardless of use, such as for airline crews and permanent guests.*

Franchise Company (Company Type) *– A group of independently-owned operations that have been issued a contract to use a specific name and logo, purchased for an annual fee plus "royalties" – usually based on a percentage of sales. Members share benefits like brand-name identity, corporate image advertising, centralized reservation systems, corporate training programs and volume purchasing.*

Management Company (Company Type) *– Company that manages a property's operations for its owners, typically in return for fees and/or revenue share.*

Other key definitions per Smith Travel Research are available at the following website:

http://www.strglobal.com/resources/glossary

Source: Smith Travel Research

7.6 Smith Travel Research Chain Scale Designations

In the following tables, we have provided Smith Travel Research's chain scale designation for each brand.

STR Classification of Brands by Chain Scale

Brand	Chain Scale	Brand	Chain Scale	Brand	Chain Scale	Brand	Chain Scale
21c Museum Hotel	Luxury Chains	Trump Hotel Collection	Luxury Chains	Pan Pacific	Upper Upscale Chains	Eurostars Hotel	Upscale Chains
AKA	Luxury Chains	Valencia Group	Luxury Chains	Pestana	Upper Upscale Chains	EVEN Hotels	Upscale Chains
Aman	Luxury Chains	Viceroy	Luxury Chains	Pullman	Upper Upscale Chains	Four Points by Sheraton	Upscale Chains
Andaz	Luxury Chains	W Hotel	Luxury Chains	Radisson Blu	Upper Upscale Chains	Graduate Hotel	Upscale Chains
Belmond Hotels	Luxury Chains	Waldorf Astoria	Luxury Chains	Radisson RED	Upper Upscale Chains	Grand America	Upscale Chains
COMO	Luxury Chains	Ace Hotel	Upper Upscale Chains	Red Carnation	Upper Upscale Chains	Great Wolf Lodge	Upscale Chains
Conrad	Luxury Chains	Affinia Hotel	Upper Upscale Chains	Renaissance	Upper Upscale Chains	Hilton Garden Inn	Upscale Chains
Destination Hotels	Luxury Chains	Alila	Upper Upscale Chains	Sheraton Hotel	Upper Upscale Chains	Homewood Suites	Upscale Chains
Dorchester Collection	Luxury Chains	Autograph Collection	Upper Upscale Chains	Silver Cloud	Upper Upscale Chains	Hotel RL	Upscale Chains
Doyle Collection	Luxury Chains	Bridgestreet Accommodations	Upper Upscale Chains	St. Giles Hotel	Upper Upscale Chains	Hyatt House	Upscale Chains
Edition	Luxury Chains	Canopy by Hilton	Upper Upscale Chains	Starhotels	Upper Upscale Chains	Hyatt Place	Upscale Chains
Fairmont	Luxury Chains	Club Quarters	Upper Upscale Chains	Swissotel	Upper Upscale Chains	Iberostar Hotels & Resorts	Upscale Chains
Firmdale	Luxury Chains	Curio Collection	Upper Upscale Chains	Time Hotels	Upper Upscale Chains	Innside by Melia	Upscale Chains
Four Seasons	Luxury Chains	Delta Hotel	Upper Upscale Chains	Tribute Portfolio	Upper Upscale Chains	Larkspur Landing	Upscale Chains
Grand Hyatt	Luxury Chains	Dolce Hotels & Resorts	Upper Upscale Chains	Virgin Hotel	Upper Upscale Chains	Legacy Vacation Club	Upscale Chains
InterContinental	Luxury Chains	Dream Hotels	Upper Upscale Chains	Wanda Vista	Upper Upscale Chains	Mantra	Upscale Chains
JW Marriott	Luxury Chains	Embassy Suites	Upper Upscale Chains	Warwick Hotel	Upper Upscale Chains	Melia	Upscale Chains
Langham	Luxury Chains	Fireside Inn & Suites	Upper Upscale Chains	Westin	Upper Upscale Chains	Miyako	Upscale Chains
Loews	Luxury Chains	Gaylord	Upper Upscale Chains	Wyndham Grand	Upper Upscale Chains	Novotel	Upscale Chains
Lotte Hotel	Luxury Chains	Hard Rock	Upper Upscale Chains	AC Hotels by Marriott	Upscale Chains	NYLO Hotel	Upscale Chains
Luxury Collection	Luxury Chains	Hilton	Upper Upscale Chains	aloft Hotel	Upscale Chains	Prince Hotel	Upscale Chains
Mandarin Oriental	Luxury Chains	Hilton Grand Vacations	Upper Upscale Chains	Apa Hotel	Upscale Chains	Radisson	Upscale Chains
ME	Luxury Chains	Hotel Indigo	Upper Upscale Chains	Ascend Collection	Upscale Chains	Residence Inn	Upscale Chains
Miraval	Luxury Chains	Hotel Nikko	Upper Upscale Chains	Aston Hotel	Upscale Chains	RIU Hotel	Upscale Chains
Mokara	Luxury Chains	Hyatt	Upper Upscale Chains	Atton	Upscale Chains	Room Mate	Upscale Chains
Montage	Luxury Chains	Hyatt Centric	Upper Upscale Chains	Best Western Premier	Upscale Chains	Shell Vacations Club	Upscale Chains
Nobu Hotels	Luxury Chains	Hyatt Regency	Upper Upscale Chains	BW Premier Collection	Upscale Chains	Sonesta Hotel	Upscale Chains
Park Hyatt	Luxury Chains	Instinct Hotels	Upper Upscale Chains	Cambria hotel & suites	Upscale Chains	Springhill Suites	Upscale Chains
Regent	Luxury Chains	Joie De Vivre	Upper Upscale Chains	Canad Inn	Upscale Chains	Staybridge Suites	Upscale Chains
Ritz-Carlton	Luxury Chains	Kimpton	Upper Upscale Chains	Citadines	Upscale Chains	Stoney Creek	Upscale Chains
RockResorts	Luxury Chains	Le Meridien	Upper Upscale Chains	citizenM	Upscale Chains	Tapestry Collection	Upscale Chains
Rosewood	Luxury Chains	Lyric Suites	Upper Upscale Chains	Club Med	Upscale Chains	Travel Inn	Upscale Chains
Six Senses	Luxury Chains	Magnolia	Upper Upscale Chains	Coast Hotels USA	Upscale Chains	Vacation Condos by Outrigger	Upscale Chains
Sixty Hotels	Luxury Chains	Margaritaville	Upper Upscale Chains	Courtyard	Upscale Chains	Vib	Upscale Chains
Sofitel	Luxury Chains	Marriott	Upper Upscale Chains	Crowne Plaza	Upscale Chains	Westmark	Upscale Chains
St Regis	Luxury Chains	Marriott Conference Center	Upper Upscale Chains	Dazzler	Upscale Chains	Wyndham	Upscale Chains
Taj	Luxury Chains	Millennium	Upper Upscale Chains	Disney Hotels	Upscale Chains	Wyndham Vacation Resort	Upscale Chains
The Peninsula	Luxury Chains	New Otani	Upper Upscale Chains	DoubleTree	Upscale Chains	Aqua Hotels & Resorts	Upper Midscale Chains
The Unbound Collection	Luxury Chains	Omni	Upper Upscale Chains	dusitD2	Upscale Chains	Ayres	Upper Midscale Chains
Thompson Hotels	Luxury Chains	Outrigger Resorts	Upper Upscale Chains	element	Upscale Chains	Best Western Plus	Upper Midscale Chains

Source: Smith Travel Research

STR Classification of Brands by Chain Scale (Continued)

Brand	Chain Scale	Brand	Chain Scale	Brand	Chain Scale
Boarders Inn & Suites	Upper Midscale Chains	A Victory	Midscale Chains	Downtowner Inn	Economy Chains
Boulders Inn & Suites	Upper Midscale Chains	AmericInn	Midscale Chains	Econo Lodge	Economy Chains
Centerstone Hotels	Upper Midscale Chains	Baymont	Midscale Chains	Extended Stay America	Economy Chains
Chase Suites	Upper Midscale Chains	Best Western	Midscale Chains	E-Z 8	Economy Chains
Clarion	Upper Midscale Chains	Cabot Lodge	Midscale Chains	Family Inn	Economy Chains
Cobblestone	Upper Midscale Chains	Candlewood Suites	Midscale Chains	Good Nite Inn	Economy Chains
Comfort Inn	Upper Midscale Chains	ClubHouse	Midscale Chains	Great Western	Economy Chains
Comfort Suites	Upper Midscale Chains	Crystal Inn	Midscale Chains	GreenTree Inn	Economy Chains
Country Inn & Suites	Upper Midscale Chains	FairBridge Inn	Midscale Chains	Home-Towne Suites	Economy Chains
DoubleTree Club	Upper Midscale Chains	GuestHouse Inn	Midscale Chains	Howard Johnson	Economy Chains
Drury Inn	Upper Midscale Chains	Hawthorn Suites by Wyndham	Midscale Chains	InTown Suites	Economy Chains
Drury Inn & Suites	Upper Midscale Chains	ibis styles	Midscale Chains	Jameson Inn	Economy Chains
Drury Plaza Hotel	Upper Midscale Chains	InnSuites Hotel	Midscale Chains	Key West Inn	Economy Chains
Drury Suites	Upper Midscale Chains	La Quinta Inns & Suites	Midscale Chains	Knights Inn	Economy Chains
Fairfield Inn	Upper Midscale Chains	Loyalty Inn	Midscale Chains	Lite Hotels	Economy Chains
Glo Hotel	Upper Midscale Chains	MainStay Suites	Midscale Chains	Master Hosts Inns	Economy Chains
GrandStay Hotels	Upper Midscale Chains	Oak Tree Inn	Midscale Chains	Masters Inn	Economy Chains
Hampton	Upper Midscale Chains	Palace Inn	Midscale Chains	Microtel Inn & Suites by Wyndh	Economy Chains
Holiday Inn	Upper Midscale Chains	Quality Inn	Midscale Chains	Motel 6	Economy Chains
Holiday Inn Express	Upper Midscale Chains	Ramada	Midscale Chains	National 9	Economy Chains
Holiday Inn Select	Upper Midscale Chains	Red Lion Inn & Suites	Midscale Chains	Passport Inn	Economy Chains
Home2 Suites	Upper Midscale Chains	Rode Inn	Midscale Chains	Pear Tree Inn	Economy Chains
Isle of Capri	Upper Midscale Chains	Settle Inn	Midscale Chains	Red Carpet Inn	Economy Chains
Lexington	Upper Midscale Chains	Signature Inn	Midscale Chains	Red Roof Inn	Economy Chains
Mama Shelter	Upper Midscale Chains	Sleep Inn	Midscale Chains	Rodeway Inn	Economy Chains
MOXY	Upper Midscale Chains	Tru by Hilton	Midscale Chains	Savannah Suites	Economy Chains
My Place	Upper Midscale Chains	UpTown Suites	Midscale Chains	Scottish Inn	Economy Chains
OHANA	Upper Midscale Chains	Vagabond Inn	Midscale Chains	Select Inn	Economy Chains
Oxford Suites	Upper Midscale Chains	Vista	Midscale Chains	Studio 6	Economy Chains
Park Inn	Upper Midscale Chains	Wingate by Wyndham	Midscale Chains	Suburban Extended Stay	Economy Chains
Quality	Upper Midscale Chains	Affordable Suites of America	Economy Chains	Super 8	Economy Chains
Red Lion Hotel	Upper Midscale Chains	America`s Best Inn	Economy Chains	SureStay	Economy Chains
Shilo Inn	Upper Midscale Chains	Americas Best Value Inn	Economy Chains	SureStay Collection	Economy Chains
Sonesta ES Suites	Upper Midscale Chains	AmeriVu Inn & Suites	Economy Chains	SureStay Plus	Economy Chains
TownePlace Suites	Upper Midscale Chains	Budget Host	Economy Chains	Travelodge	Economy Chains
Trademark Hotel Collection	Upper Midscale Chains	Budget Suites of America	Economy Chains	Value Place	Economy Chains
Tryp by Wyndham	Upper Midscale Chains	Budgetel	Economy Chains	WoodSpring Suites	Economy Chains
Wyndham Garden Hotel	Upper Midscale Chains	Country Hearth Inn	Economy Chains		
Yotel	Upper Midscale Chains	Crossland Economy Studios	Economy Chains		
3 Palms	Midscale Chains	Days Inn	Economy Chains		

Source: Smith Travel Research

7.7 JLL Select Service and Full Service Designations

In the following tables, we have summarized JLL's classification of brands into either the full-service or select-service segment based upon the brand's typical programming attributes.

JLL Classification of Brands by Positioning Segment

Brand	Segment	Brand	Segment	Brand	Segment	Brand	Segment
21c Museum Hotel	Full service	Canad Inn	Select service	Dream Hotels	Full service	Hawthorn Suites by Wyndham	Select service
3 Palms	Select service	Candlewood Suites	Select service	Drury Inn	Full service	Heritage	Select service
A Victory	Select service	Canopy by Hilton	Select service	Drury Inn & Suites	Full service	Hilton	Full service
AC Hotels by Marriott	Select service	Capella	Full service	Drury Lodge	Full service	Hilton Garden Inn	Select service
Ace Hotel	Full service	Centerstone Hotels	Select service	Drury Plaza Hotel	Full service	Hilton Grand Vacations	Full service
Affinia Hotel	Full service	Chase Suites	Select service	Drury Suites	Full service	Holiday Inn	Full service
Affordable Suites of America	Select service	Citadines	Select service	dusitD2	Select service	Holiday Inn Express	Select service
AKA	Full service	citizenM	Independent	Econo Lodge	Select service	Holiday Inn Garden Court	Select service
Alila	Full service	CitizenM Hotels	Select service	Edition	Full service	Holiday Inn Select	Select service
aloft Hotel	Select service	Clarion	Full service	element	Select service	Home Inn	Select service
Aman	Full service	Club Med	Full service	Embassy Suites	Full service	Home2 Suites	Select service
America`s Best Inn	Select service	Club Quarters	Full service	Eurostars Hotel	Full service	Home-Towne Suites	Select service
America`s Best Suites	Select service	ClubHouse	Select service	EVEN Hotels	Select service	Homewood Suites	Select service
Americas Best Value Inn	Select service	Coast Hotels & Resorts USA	Select service	Extended Stay America	Select service	Hotel Indigo	Select service
AmericInn	Select service	Coast Hotels USA	Full service	E-Z 8	Select service	Hotel Nikko	Full service
AmeriVu Inn & Suites	Select service	Cobblestone	Select service	FairBridge Inn	Select service	Hotel RL	Select service
Andaz	Full service	Comfort Inn	Select service	Fairfield Inn	Select service	Howard Johnson	Select service
Apa Hotel	Full service	Comfort Suites	Select service	Fairmont	Full service	Hyatt	Full service
Aqua Hotels & Resorts	Select service	COMO	Full service	Family Inn	Select service	Hyatt Centric	Full service
Ascend Collection	Select service	Conrad	Full service	Fireside Inn & Suites	Full service	Hyatt House	Select service
Aston Hotel	Select service	Country Hearth Inn	Select service	Firmdale	Full service	Hyatt Place	Select service
Atton	Select service	Country Inn & Suites	Select service	Four Points by Sheraton	Select service	Hyatt Regency	Full service
Autograph Collection	Full service	Courtyard	Select service	Four Seasons	Full service	Iberostar Hotels & Resorts	Full service
Ayres	Select service	Crestwood Suites	Select service	Gaylord	Full service	ibis	Select service
Baymont	Select service	Crossings by GrandStay	Select service	Glo Hotel	Full service	ibis styles	Select service
Belmond Hotels	Full service	Crossland Economy Studios	Select service	Golden Tulip	Select service	Independent	Independent
Best Western	Select service	Crowne Plaza	Full service	Good Nite Inn	Select service	Innkeeper`s Lodge	Select service
Best Western Plus	Select service	Crystal Inn	Select service	Graduate Hotel	Full service	Innside by Melia	Select service
Best Western Premier	Select service	Curio Collection	Full service	Grand America	Select service	InnSuites Hotel	Select service
Boarders Inn & Suites	Select service	Days Inn	Select service	Grand Hyatt	Full service	Instinct Hotels	Full service
Boulders Inn & Suites	Select service	Dazzler	Select service	GrandStay Hotels	Full service	InterContinental	Full service
Bridgestreet Accommodations	Full service	Delta Hotel	Full service	GrandStay Residential Suites	Select service	InTown Suites	Select service
Budget Host	Select service	Destination Hotels	Full service	Great Western	Select service	Isle of Capri	Full service
Budget Suites of America	Select service	Disney Hotels	Select service	Great Wolf Lodge	Full service	Jameson Inn	Select service
Budgetel	Select service	Dolce Hotels & Resorts	Full service	GreenTree Inn	Select service	Joie De Vivre	Full service
BW Premier Collection	Select service	Dorchester Collection	Full service	GuestHouse Inn	Select service	Jolly	Select service
Cabot Lodge	Select service	DoubleTree	Full service	Hampton	Select service	JW Marriott	Full service
Cambria hotel & suites	Select service	DoubleTree Club	Select service	Hampton Inn	Select service	Key West Inn	Select service
Cambria Suites	Select service	Downtowner Inn	Select service	Hampton Inn & Suites	Select service	Kimpton	Full service
Camino Real	Full service	Doyle Collection	Full service	Hard Rock	Full service	Knights Inn	Select service

Source: JLL

JLL Classification of Brands by Positioning Segment (Continued)

Brand	Segment	Brand	Segment	Brand	Segment	Brand	Segment
La Quinta Inns & Suites	Select service	Novotel	Full service	Rodeway Inn	Select service	TownePlace Suites	Select service
Lakeview	Select service	NYLO Hotel	Full service	Room Mate	Select service	Toyoko Inn	Select service
Langham	Full service	O'Callaghan	Select service	Rosewood	Full service	Trademark Hotel Collection	Full service
Larkspur Landing	Select service	Oak Tree Inn	Select service	Sandman	Select service	Travel Inn	Select service
Le Meridien	Full service	OHANA	Full service	Savannah Suites	Select service	Travelodge	Select service
Legacy Vacation Club	Select service	Omni	Full service	Scottish Inn	Select service	Tribute Portfolio	Full service
Lexington	Select service	Outrigger Resorts	Full service	Select Inn	Select service	Tru by Hilton	Select service
Lite Hotels	Select service	Oxford	Select service	Settle Inn	Select service	Trump Hotel Collection	Full service
Loews	Full service	Oxford Suites	Select service	Shell Vacations Club	Select service	Tryp by Wyndham	Select service
Lotte Hotel	Full service	Palace Inn	Select service	Sheraton Hotel	Full service	UpTown Suites	Select service
Lotte Hotels & Resorts	Full service	Pan Pacific	Full service	Shilo Inn	Select service	Vacation Condos by Outrigger	Select service
Loyalty Inn	Select service	Park Hyatt	Full service	Signature Inn	Select service	Vagabond Inn	Select service
Luxury Collection	Full service	Park Inn	Select service	Silver Cloud	Select service	Valencia Group	Full service
Lyric Suites	Full service	Park Plaza	Select service	Six Senses	Full service	Value Place	Select service
Magnolia	Full service	Passport Inn	Select service	Sixty Hotels	Full service	Vib	Select service
MainStay Suites	Select service	Pear Tree Inn	Select service	Sleep Inn	Select service	Viceroy	Full service
Mama Shelter	Select service	Pestana	Full service	Sofitel	Full service	Virgin Hotel	Full service
Mandarin Oriental	Full service	Phoenix Inn	Select service	Sonesta ES Suites	Select service	Vista	Select service
Mantra	Independent	Prince Hotel	Select service	Sonesta Hotel	Full service	W Hotel	Full service
Margaritaville	Full service	Pullman	Full service	Springhill Suites	Select service	Waldorf Astoria	Full service
Marriott	Full service	Quality	Select service	St Regis	Full service	Wanda Vista	Full service
Marriott Conference Center	Full service	Quality Inn	Select service	St. Giles Hotel	Full service	Warwick Hotel	Full service
Master Hosts Inns	Select service	Radisson	Full service	Starhotels	Full service	Westin	Full service
Masters Inn	Select service	Radisson Blu	Full service	Staybridge Suites	Select service	Westmark	Select service
ME	Independent	Radisson RED	Full service	Stoney Creek	Select service	Wingate by Wyndham	Select service
Melia	Full service	Ramada	Full service	Studio 6	Select service	WoodSpring Suites	Select service
MGallery by Sofitel	Full service	Ramada Plaza	Select service	Suburban Extended Stay	Select service	Wyndham	Full service
MGallery Hotel	Full service	Red Carnation	Full service	Sun Suites	Select service	Wyndham Garden Hotel	Select service
Microtel Inn & Suites by Wyndh	Select service	Red Carpet Inn	Select service	Super 8	Select service	Wyndham Grand	Full service
Millennium	Full service	Red Lion	Full service	SureStay	Select service	Wyndham Grand Hotels	Full service
Miraval	Full service	Red Lion Hotel	Select service	SureStay Collection	Select service	Wyndham Vacation Resort	Full service
Miyako	Select service	Red Lion Inn & Suites	Select service	SureStay Plus	Select service	Xanterra	Full service
Mokara	Full service	Red Roof Inn	Select service	SureStay Signature Collection	Select service	Yotel	Select service
Montage	Full service	Regent	Full service	Swissotel	Full service		
Motel 6	Select service	Renaissance	Full service	Taj	Full service		
MOXY	Select service	Residence Inn	Select service	Tapestry Collection	Full service		
My Place	Select service	Ritz-Carlton	Full service	The Peninsula	Full service		
National 9	Select service	RIU Hotel	Select service	The Unbound Collection	Full service		
New Otani	Full service	RockResorts	Full service	Thompson Hotels	Full service		
Nobu Hotels	Full service	Rode Inn	Select service	Time Hotels	Full service		

Source: JLL

7.8 Average Price Per Key for Full-Service and Select-Service Hotel Transactions in the Subject Portfolio's Markets

JLL has compiled the average price per key for full-service and select-service hotel transactions in the United States as well as in the lodging markets in which the subject portfolio contains assets since 2015. As shown in the table below, the average price per key for full-service hotel transactions was higher than the average price per key for select-service hotel transactions in all of the subject portfolio's markets, except Salt Lake City:

Average Price Per Key (Hotel Transactions, 2015-Present)		
	Full Service	Select Service
United States - Total	**$226,572**	**$168,554**
Atlanta, GA	$157,473	$119,823
Dallas / Fort Worth[1]	$154,926	$110,203
Denver	$168,030	$116,709
Houston	$164,933	$113,105
Los Angeles / Anaheim[2]	$292,932	$200,551
New York[3]	$423,389	$361,556
Orlando	$96,096	$88,624
San Bernardino	$166,417	$121,319
Sacramento	$165,042	$129,581
Salt Lake City	$107,783	$118,993
San Francisco / San Jose[4]	$415,028	$306,312

1. Includes the Dallas and Fort Worth/Arlington lodging markets.
2. Includes the Los Angeles/Long Beach and Anaheim/Santa Ana lodging markets.
3. Includes the New York, Newark, Central NJ, Bergen/Passaic, Lower Hudson Valley, and Long Island lodging markets.
4. Includes the San Francisco/San Mateo and San Jose/Santa Cruz lodging markets.

Source: JLL

7.9 Summary of Smith Travel Research Designations for the Subject Portfolio

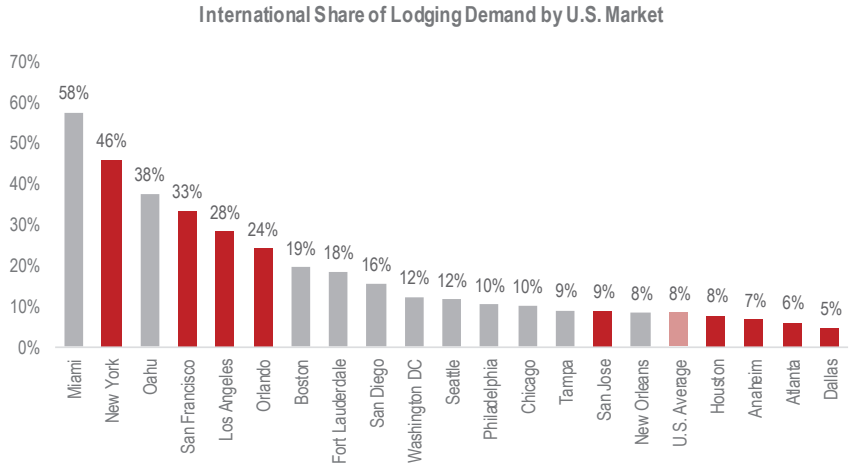
The table below provides a summary of the location type, chain scale, and class assigned to each property in the hotel by Smith Travel Research as well as JLL's classification of each branded hotel into either the full-service or select-service segment.

Subject Portfolio								
Property	Rooms	Lodging Market	Lodging Submarket	Metropolitan Area	Location Type	Chain Scale	Class	Positioning*
Hilton Atlanta Northeast	271	Atlanta, GA	Atlanta Chamblee/Norcross, GA	Atlanta-Sandy Springs-Roswell, GA	Suburban	Upper Upscale Chains	Upper Upscale Class	Full service
Crowne Plaza Dallas Near Galleria - Addison	428	Dallas, TX	Addison/LBJ Freeway, TX	Dallas-Fort Worth-Arlington, TX	Suburban	Upscale Chains	Upscale Class	Full service
Renaissance Denver Stapleton	400	Denver, CO	Denver Airport/East, CO	Denver-Aurora-Lakewood, CO	Urban	Upper Upscale Chains	Upper Upscale Class	Full service
Holiday Inn Denver East - Stapleton	299	Denver, CO	Denver Airport/East, CO	Denver-Aurora-Lakewood, CO	Urban	Upper Midscale Chains	Upper Midscale Class	Full service
Sheraton Denver Tech Center	263	Denver, CO	Denver Tech Center, CO	Denver-Aurora-Lakewood, CO	Suburban	Upper Upscale Chains	Upper Upscale Class	Full service
Hilton Houston Galleria Area	292	Houston, TX	Houston Southwest Freeway, TX	Houston-The Woodlands-Sugar Land, TX	Suburban	Upper Upscale Chains	Upper Upscale Class	Full service
Holiday Inn Hotel & Suites Anaheim	255	Anaheim/Santa Ana, CA	Disneyland, CA	Los Angeles-Long Beach-Anaheim, CA	Resort	Upper Midscale Chains	Upper Midscale Class	Full service
Embassy Suites by Hilton Anaheim North	223	Anaheim/Santa Ana, CA	Anaheim, CA	Los Angeles-Long Beach-Anaheim, CA	Suburban	Upper Upscale Chains	Upper Upscale Class	Full service
The Queen Mary Long Beach	347	Los Angeles/Long Beach, CA	Long Beach, CA	Los Angeles-Long Beach-Anaheim, CA	Urban	Independents	Upscale Class	Independent
Sheraton Pasadena	311	Los Angeles/Long Beach, CA	Pasadena/Glendale/Burbank, CA	Los Angeles-Long Beach-Anaheim, CA	Suburban	Upper Upscale Chains	Upper Upscale Class	Full service
Crowne Plaza Danbury	242	Connecticut Area	Stamford/Danbury, CT	Bridgeport-Stamford-Norwalk, CT	Suburban	Upscale Chains	Upscale Class	Full service
Renaissance Woodbridge	312	Central New Jersey	Brunswick/Edison Area, NJ	New York-Newark-Jersey City, NY-NJ-PA	Suburban	Upper Upscale Chains	Upper Upscale Class	Full service
Holiday Inn Resort Orlando Suites - Waterpark	777	Orlando, FL	Orlando International Drive, FL	Orlando-Kissimmee-Sanford, FL	Resort	Upper Midscale Chains	Upper Midscale Class	Full service
Embassy Suites by Hilton Palm Desert	198	Riverside & San Bernardino, CA	Palm Springs, CA	Riverside-San Bernardino-Ontario, CA	Resort	Upper Upscale Chains	Upper Upscale Class	Full service
The Westin Sacramento	101	Sacramento, CA	Sacramento Northwest, CA	Sacramento--Roseville--Arden-Arcade, CA	Suburban	Upper Upscale Chains	Upper Upscale Class	Full service
Doubletree by Hilton Salt Lake City Airport	288	Salt Lake City/Ogden, UT	Salt Lake CBD/Airport, UT	Salt Lake City, UT	Airport	Upscale Chains	Upscale Class	Full service
Four Points by Sheraton San Jose Airport	195	San Jose/Santa Cruz, CA	San Jose/Campbell, CA	San Jose-Sunnyvale-Santa Clara, CA	Airport	Upscale Chains	Upscale Class	Full service**
Holiday Inn Hotel & Suites San Mateo	172	San Francisco/San Mateo, CA	San Francisco Airport, CA	San Francisco-Oakland-Hayward, CA	Airport	Upper Midscale Chains	Upper Midscale Class	Full service

*STR does not designate properties in the full-service or select-service segment. However, JLL classifies each branded hotel in the full-service or select-service segment based upon its brand's typical programming profile, regardless of property's individual programming attributes. JLL's brand classifications are summarized in Section 7.7. **Although Four Points by Sheraton is classified as select service (and counted as such in our portfolio analyses), the Four Points by Sheraton San Jose Airport delivers a product offering and service standard equivalent to that of a full service hotel.
Source: Smith Travel Research, JLL

7.10 International Share of U.S. Lodging Demand

Smith Travel Research does not collect and report data on the share of room nights at U.S. hotels that are occupied by international travels. However, CBRE has produced estimates for international visitors' share of total lodging demand in the U.S. as well as in 20 U.S. lodging markets.[27] The results of CBRE's analysis are summarized in the following chart:



Note: The estimates are based on overseas visitation and total lodging demand in 2015. Source: CBRE

[27] The methodology and results of CBRE's analysis are further detailed by Hotel News Now: http://www.hotelnewsnow.com/Articles/240035/A-look-at-US-hotels-dependence-on-international-guests.

7.11 Top-30 Metropolitan Statistical Areas by Nominal GDP

Top-30 U.S. Metropolitan Statistical Areas, Ranked by 2017 Nominal GDP		
	Metropolitan Statistical Area	Nominal GDP in 2017 (Millions of U.S. Dollars)
1	New York-Newark-Jersey City, NY-NJ-PA[1]	$1,673,315.77
2	Los Angeles-Long Beach-Anaheim, CA	$1,039,435.69
3	San Francisco-Oakland-Hayward, CA[2]	$643,861.57
4	Chicago-Naperville-Elgin, IL-IN-WI	$635,210.11
5	Dallas-Fort Worth-Arlington, TX	$493,613.26
6	Washington-Arlington-Alexandria, DC-VA-MD-WV	$491,281.90
7	Houston-The Woodlands-Sugar Land, TX	$465,892.92
8	Boston-Cambridge-Newton, MA-NH	$417,252.07
9	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	$402,863.45
10	Atlanta-Sandy Springs-Roswell, GA	$355,049.16
11	Seattle-Tacoma-Bellevue, WA	$330,079.43
12	Miami-Fort Lauderdale-West Palm Beach, FL	$311,105.75
13	San Diego-Carlsbad, CA	$245,772.86
14	Minneapolis-St. Paul-Bloomington, MN-WI	$244,938.81
15	Detroit-Warren-Dearborn, MI	$242,038.91
16	Phoenix-Mesa-Scottsdale, AZ	$233,614.79
17	Baltimore-Columbia-Towson, MD	$196,166.50
18	Riverside-San Bernardino-Ontario, CA	$195,273.95
19	Denver-Aurora-Lakewood, CO	$193,351.14
20	Portland-Vancouver-Hillsboro, OR-WA	$164,129.52
21	Pittsburgh, PA	$158,012.60
22	Tampa-St. Petersburg-Clearwater, FL	$154,917.28
23	St. Louis, MO-IL	$154,279.69
24	Charlotte-Concord-Gastonia, NC-SC	$146,227.65
25	Sacramento--Roseville--Arden-Arcade, CA	$144,952.02
26	Orlando-Kissimmee-Sanford, FL	$137,703.91
27	Austin-Round Rock, TX	$133,978.97
28	Columbus, OH	$129,651.19
29	Cincinnati, OH-KY-IN	$129,132.61
30	Cleveland-Elyria, OH	$127,895.28

1. Includes the Bridgeport-Stamford-Norwalk MSA.
2. Includes the San Jose-Sunnyvale-Santa Clara MSA.
Source: U.S. Bureau of Economic Analysis, Moody's Analytics, JLL

7.12 Definition of Development Pipeline Phases

The definition of the pipeline phases from Smith Travel Research, referenced in this report are as follows:

- **In Construction:** Vertical construction on the physical building is reported to have begun. This does not include construction on any subgrade structures including, but not limited to, parking garages, underground supports/footers or any other type of sub-grade construction.

- **Final Planning:** Refers to confirmed, under contract projects where construction is expected to begin within the next 12 months.
- **Planning:** Refers to confirmed, under contract projects where construction is not expected to begin for more than 13 months.

7.13 Statement of Assumptions and Limiting Conditions

1. Any report prepared by JLL represents an opinion of value, based on forecasts of net income such as are typically used in valuing income-producing properties. Actual results may vary from those forecast in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.

2. JLL is not obligated to predict future political, economic or social trends. JLL assumes no responsibility for economic factors that may affect or alter the opinions in any produced report if said economic factors were not present as of the date of the letter of transmittal accompanying this report.

3. Any report(s) prepared by JLL for the Client reflects a valuation of the property free and clear of any or all liens or encumbrances unless otherwise stated.

4. Responsible ownership and competent property management are assumed.

5. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

6. All engineering studies provided to JLL, if applicable, are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the property.

7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.

8. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report.

9. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless a non-conformity has been identified, described and considered in the report.

10. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

11. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

12. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by JLL. JLL has no knowledge of the existence of such materials on or in the property. JLL, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. Client is urged to retain an expert in this field, if desired.

13. Any allocation of the total value estimated in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other report and are invalid if so used.

14. Possession of this report, or a copy thereof, does not carry with it the right of publication.

15. JLL, by reason of the report, is not required to give further consultation or testimony or to be in attendance in court with reference to the property in question unless arrangements have been previously made.

16. Notwithstanding anything to the contrary in the engagement letter, maximum damages recoverable from JLL or any of its affiliates or their respective officers or employees shall be subject to applicable laws and regulations (including the Singapore Securities and Futures Act, Chapter 289 of Singapore).

17. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the consultant who prepared the report, or the firm with which the consultant is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of JLL, except as outlined in the attached engagement letter.

INDEPENDENT TAXATION REPORT

The Board of Directors
Eagle Hospitality REIT Management Pte. Ltd.
in its capacity as Manager of Eagle Hospitality Real Estate Investment Trust (the "REIT Manager")
50 Raffles Place
#32-01
Singapore Land Tower
Singapore 048623

DBS Trustee Limited
in its capacity as Trustee of Eagle Hospitality Real Estate Investment Trust (the "REIT Trustee")
12 Marina Boulevard
Level 44 Marina Bay Financial Centre Tower 3
Singapore 018982

The Board of Directors
Eagle Hospitality Business Trust Management Pte. Ltd.
in its capacity as Trustee-Manager of Eagle Hospitality Business Trust (the "Trustee-Manager")
50 Raffles Place
#32-01
Singapore Land Tower
Singapore 048623

16 May 2019

Dear Sirs

INDEPENDENT TAXATION REPORT

This letter has been prepared at the request of Eagle Hospitality REIT Management Pte. Ltd. (the "REIT Manager") for inclusion in the prospectus (the "**Prospectus**") to be issued in relation to the initial public offering of the stapled securities (the "**Stapled Securities**") in Eagle Hospitality Trust ("**EHT**") on the Main Board of Singapore Exchange Securities Trading Limited.

The purpose of this letter is to provide prospective purchasers of the Stapled Securities with an overview of the Singapore tax consequences of the acquisition, ownership and disposal of the Stapled Securities. This letter addresses principally purchasers who hold the Stapled Securities as investment assets. Purchasers who acquire the Stapled Securities for dealing purposes should consult their own tax advisers concerning the tax consequences of their particular situations.

This letter also provides an overview of the tax consequences that may be applicable to the entities within EHT in the Cayman Islands and the United States.

This letter is not a tax advice and does not attempt to describe comprehensively all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Stapled Securities. Prospective purchasers of the Stapled Securities should consult their own tax advisers to take into account the tax law applicable to their particular situations. In particular, prospective purchasers who are not Singapore tax residents are advised to consult their own tax advisers to take into account the tax laws of their respective country of tax residence and the existence of any tax treaty which their country of tax residence may have with Singapore.

This letter is based on the Singapore, the Cayman Islands and the United States income tax laws and relevant interpretations thereof current as at 8.00 a.m. Singapore time on the date of this letter, all of which are subject to change, possibly with retroactive effect.

Words and expressions defined in the Prospectus have the same meaning in this letter. In addition, unless the context requires otherwise, words in the singular include the plural and the other way around and words of one gender include the other gender.

SINGAPORE TAXATION

INCOME TAX

Tax Ruling

An application for the Tax Ruling was made based on the structure diagram of EHT as illustrated in "Structure of EHT" and, inter alia, the following representations and information:

(a) The initial portfolio of EHT will, on the Initial Public Offering ("IPO") date, comprise 18 hotel properties located in the United States.

(b) Each of Eagle Hospitality Trust S1 Pte Ltd ("SG Corp") and Eagle Hospitality S2 Pte Ltd ("SG Lending Sub") will be a wholly-owned subsidiary of Eagle Hospitality Real Estate Investment Trust ("EH-REIT").

(c) EHT USI, Inc. ("US Corp"), a wholly-owned subsidiary of SG Corp, may make the following distributions to SG Corp:

    (i) Ordinary income dividends paid out of US Corp's current or accumulated earnings and profits;

    (ii) Return of capital from SG Corp's tax cost basis in US Corp's stock; and

    (iii) Capital gain distributions where the distribution exceeds SG Corp's tax cost basis in US Corp's stock.

(d) In the event of a future disposal of any of the Properties, distributions from US Corp to SG Corp should be made in the same manner as described above.

(e) SG Lending Sub will wholly own a Cayman Islands Corporation ("**Cayman Corp 1**").

(f) Cayman Corp 1 will extend an interest-bearing loan to US Corp which indirectly holds the Properties, from which Cayman Corp 1 is expected to derive interest income.

(g) The terms of the loan will be at arm's length and based on transfer pricing studies performed.

(h) Cayman Corp 1 is expected to make distributions to SG Lending Sub.

(i) SG Corp and SG Lending Sub are each expected to pay dividends to EH-REIT.

Pursuant to the Tax Ruling, the Inland Revenue Authority of Singapore ("IRAS") confirmed the following:

(a) The foreign-sourced dividends receivable by SG Corp from US Corp attributable to ordinary income dividends and capital gain distributions will not be subject to tax under Section 13(8) of the Income Tax Act, subject to meeting the conditions in Section 13(9) of the Income Tax Act;

(b) The distributions receivable by SG Corp from US Corp attributable to return of capital will not be subject to tax;

(c) The payment of one-tier exempt dividends by SG Lending Sub out of its unremitted foreign-sourced distribution income from Cayman Corp 1 kept in its offshore bank account to SG REIT's bank account in Singapore will not result in SG Lending Sub being deemed to have received the foreign-sourced income in Singapore from outside Singapore for the purposes of Section 10(1) and 10(25) of the Income Tax Act, subject to certain conditions;

(d) The tax-exempt (one-tier) dividends receivable by EH-REIT from SG Corp and SG Lending Sub will not be subject to tax;

(e) The distributions receivable by the Stapled Securityholders from EH-REIT, which is payable by EH-REIT out of tax-exempt (one-tier) dividends from SG Corp and SG Lending Sub, will not be subject to tax; and

(f) To the extent that the structure of EH-REIT, the activities of the relevant entities held directly or indirectly by EH-REIT, the transaction and distribution flows remain the same as those represented in the Tax Ruling application, the Tax Ruling will remain valid in relation to future acquisitions of properties post-IPO and for the duration or term that EHT is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

Terms and conditions of the Tax Ruling

The Tax Ruling was made based on facts presented to the IRAS and IRAS' current interpretation and application of the existing tax law and the Tax Ruling will cease to apply if:

(a) the arrangement is materially different from the arrangement identified in the Tax Ruling application;

(b) there was a material omission or misrepresentation in, or in connection with, the application for the Tax Ruling;

(c) an assumption about a future event or another matter that is material to the Tax Ruling, stated either in the Tax Ruling or in the application for the Tax Ruling subsequently proves to be incorrect; or

(d) the IRAS stipulates a condition in the Tax Ruling that is not satisfied.

Where a provision of the Income Tax Act is repealed or amended, the Tax Ruling shall automatically not apply from the date of the repeal or amendment to the extent that the repeal or the amendment changes the way the provision applies in the Tax Ruling. Further, the IRAS may at any time withdraw the Tax Ruling from such date specified, by notifying EH-REIT in writing of the withdrawal and the reasons therefor.

General Principles of Taxation of a Trust

The income of a trust derived from or accrued in Singapore is chargeable to Singapore income tax. In addition, income earned outside Singapore and received or deemed received in Singapore is also chargeable to Singapore income tax unless otherwise exempted. There is no capital gains tax in Singapore. However, gains from the sale of investments are chargeable to tax if such gains are derived from a trade or business of dealing in investments. Singapore income tax is imposed

on all income chargeable to tax after deduction of the allowable expenses incurred and capital allowances, if any. Such income of the trust is assessed to tax in the name of the trustee at the prevailing corporate tax rate.

However, where a trust derives tax exempt income, the beneficiary of the trust is also exempt from tax on the tax exempt income of the trust to which he is beneficially entitled.

Taxation of EH-REIT

EH-REIT is expected to derive dividends from SG Corp and SG Lending Sub, and may derive gains from the sale of the shares in SG Corp and/or the shares of SG Lending Sub.

Taxable Income of EH-REIT

Except as detailed in the paragraphs below, the REIT Trustee will be subject to Singapore income tax at the prevailing corporate tax rate on taxable income (i.e. income ascertained to be chargeable to tax in accordance with the provisions of the Income Tax Act, after deduction of allowable expenses and applicable tax allowances) of EH-REIT. The current Singapore corporate tax rate is 17.0%

Tax Exempt Income of EH-REIT

Pursuant to the Tax Ruling, the IRAS has confirmed that tax-exempt dividends receivable by EH-REIT from SG Corp and SG Lending Sub will not be subject to tax, provided SG Corp and SG Lending Sub are each tax resident in Singapore respectively. For the purposes of the Income Tax Act, a company is considered to be tax resident of Singapore if the control and management of its business is exercised in Singapore.

Return of Capital to EH-REIT

Any return of capital received by EH-REIT from SG Corp and/or SG Lending Sub is capital in nature and hence, is not taxable in the hands of the REIT Trustee.

Disposal Gains of EH-REIT

Singapore does not impose tax on capital gains. In the event that the REIT Trustee disposes of the shares SG Corp and SG Lending Sub, gains arising from the disposal will not be subject to Singapore income tax unless the gains are considered income of a trade or business. If the gains are considered to be trading gains and derived in or received or deemed received in Singapore, such gains will be assessed to tax, currently at 17.0%.

Taxation of SG Corp and SG Lending Sub

Taxable Income of SG Corp and SG Lending Sub

Generally, SG Corp and SG Lending Sub will be subject to Singapore income tax at the prevailing corporate tax rate of 17.0% on its taxable income (i.e. income ascertained to be chargeable to tax in accordance with the provisions of the Income Tax Act, after deduction of allowable expenses and applicable tax allowances).

Distributions received by SG Corp and SG Lending Sub

Pursuant to the Tax Ruling, the IRAS has confirmed that:

(a) The foreign-sourced dividends receivable by SG Corp from US Corp attributable to ordinary income dividends and capital gain distributions will not be subject to tax under Section 13(8) of the Income Tax Act, subject to meeting the conditions in Section 13(9) of the Income Tax Act;

(b) The distributions receivable by SG Corp from US Corp attributable to return of capital will not be subject to tax;

(c) The payment of one-tier exempt dividends by SG Lending Sub out of its unremitted foreign-sourced distribution income from Cayman Corp 1 kept in its offshore bank account to SG REIT's bank account in Singapore will not result in SG Lending Sub being deemed to have received the foreign-sourced income in Singapore from outside Singapore for the purposes of Section 10(1) and 10(25) of the Income Tax Act, and hence not taxable to SG Lending Sub, subject to certain conditions.

Disposal Gains of SG Corp and SG Lending Sub

Singapore does not impose tax on capital gains. In the event that the SG Corp or SG Lending Sub dispose their respective interests in US Corp and Cayman Corp 1, as the case may be, gains arising from the disposal will not be subject to Singapore income tax unless the gains are considered income of a trade or business. If the gains are considered to be trading gains and derived in or received or deemed received in Singapore, such gains will be assessed to tax, currently at 17.0%.

Taxation of Eagle Hospitality Business Trust ("EH-BT")

EH-BT which is registered as a business trust in Singapore under the Business Trusts Act will be treated like a company under the corporate tax system for Singapore income tax purposes. Consequently, EH-BT will be assessed to Singapore income tax on its Taxable Income, if any, at the prevailing corporate tax rate in accordance with the Income Tax Act.

Taxation of Stapled Securityholders

EH-REIT Distributions out of Taxable Income

Stapled Securityholders should not be subject to Singapore income tax on distributions made out of EH-REIT's income that has been taxed at the REIT Trustee level. Accordingly, distributions made by EH-REIT out of taxable income should not be subject to any tax deduction at source. No tax credit will be given to any Stapled Securityholder on the tax payable by the REIT Trustee on such taxable income.

EH-REIT Distributions out of Tax Exempt Income

Pursuant to the Tax Ruling, Stapled Securityholders will not be subject to Singapore income tax on distributions made out of EH-REIT's tax exempt income. No tax will be deducted at source on such distributions.

EH-REIT Distributions out of Return of Capital

Stapled Securityholders will not be subject to Singapore income tax on distributions made by EH-REIT out of its capital receipts, such as return of capital from SG Corp or SG Lending Sub. No tax will be deducted at source on such distributions.

EH-BT Distributions

Distributions made by EH-BT to the Stapled Securityholders should be exempt from Singapore income tax in the hands of the Stapled Securityholders, regardless of their respective status.

Disposal of Stapled Securities

Singapore does not impose tax on capital gains. Any gains on disposal of the Stapled Securities are not liable to tax provided the Stapled Securities are not held as trading assets. Where the Stapled Securities are held as trading assets of a trade or business carried on in Singapore, any gains on disposal of the Stapled Securities are liable to Singapore income tax at the applicable tax rate.

GOODS AND SERVICES TAX ("GST")

GST Registration of EH-REIT

EH-REIT would not be eligible for GST registration as the dividends received from its investment in SG Corp and SG Lending Sub do not constitute taxable supplies for GST purposes.

Recovery of GST incurred by EH-REIT

While it is not registered for GST or not eligible for GST registration, subject to conditions, EH-REIT would be allowed to claim the GST incurred on its business expenses (such as offering-related and routine operating expenses) except for certain disallowed expenses, by way of GST remission granted by the Minister for Finance.

Pursuant to the GST remission, EH-REIT (as a Singapore listed REIT) is allowed to claim:

- GST on its allowable business expenses (such as offering-related and routine operating expenses), notwithstanding that it holds the underlying non-residential properties located outside Singapore indirectly through its SPVs; and

- GST incurred on the setting up of the SPVs or GST incurred by its SPVs on the acquisition and holding of the non-residential properties located outside Singapore.

These GST claims are subject to conditions governing the GST remission and the general input tax claims prescribed under the GST legislation. These conditions include the following:

- EH-REIT is listed or to be listed on the SGX-ST;

- EH-REIT has veto rights over key operational issues of its SPVs holding the underlying non-residential properties;

- the underlying non-residential properties of EH-REIT make taxable supplies or out-of-scope supplies which would have been taxable supplies if made in Singapore (e.g. lease of non-residential properties located outside Singapore); and

- EH-REIT may need to apportion its input tax claims if EH-REIT/its SPVs makes non-regulation 33 exempt supplies ("NR 33 EX SS") or out-of-scope NR 33 EX SS.

The aforementioned GST remission is applicable for expenses incurred up to and including 31 December 2025. If this remission is not subsequently extended, EH-REIT will not be able to claim GST incurred on its business expenses and those that are incurred by its SPVs if they continue not to be eligible for GST registration after 31 December 2025.

GST Registration of EH-BT

EH-BT would not be eligible for GST registration as it is currently dormant and does not make any taxable supplies. Hence, the GST incurred on EH-BT's business expenses (such as offering-related and routine operating expenses) is not claimable from the IRAS. The non-recoverable GST will thus be part of EH-BT's business cost.

However, in the event that it subsequently undertakes business activities that derive taxable supplies, it would be eligible for GST registration, and hence, is able to claim GST incurred on its business expenses subject to the normal input tax claiming conditions.

GST Registration of SG Corp and SG Lending Sub

SG Corp and SG Lending Sub would not be eligible for GST registration as the dividends or distributions received from their investments in US Corp and Cayman Corp 1 respectively do not constitute taxable supplies for GST purposes.

Recovery of GST incurred by SG Corp and SG Lending Sub

While SG Corp and SG Lending Sub are not eligible for GST registration, subject to conditions, SG Corp and SG Lending Sub would be allowed to claim the GST on expenses incurred on their indirect acquisitions and holding of the non-residential properties by way of GST remission valid till 31 December 2025.

Issue and Transfer of Stapled Securities

The issue or transfer of ownership of a unit under any unit trust in Singapore is exempt from GST. Hence, Stapled Securityholders would not incur any GST on the subscription of the Stapled Securities.

The subsequent disposal or transfer of the Stapled Securities by Stapled Securityholders belonging in Singapore through the SGX-ST to the extent that the identity of the buyer is not known or to another person belonging in Singapore is regarded as an exempt supply and is not subject to GST. Similar disposal or transfer of the Stapled Securities to another person belonging outside Singapore would constitute zero-rated supplies for Singapore GST purposes.

The subsequent disposal or transfer of the Stapled Securities by Stapled Securityholders belonging outside Singapore is outside the Singapore GST regime.

Recovery of GST incurred by the Stapled Securityholders

Generally, services such as legal fee, brokerage, handling and clearing charges rendered by a GST-registered person to Stapled Securityholders belonging in Singapore in connection with their purchase and sale of the Stapled Securities would be subject to GST at the prevailing standard-rate of 7% (note that the rate will be increased to 9% between 2021 to 2025). Similar services rendered to Stapled Securityholders belonging outside Singapore could be zero-rated when certain conditions are met.

For Stapled Securityholders belonging in Singapore who are registered for GST, any GST on expenses incurred in connection with the subscription/acquisition or disposal of the Stapled Securities is generally not recoverable as input tax credit from the IRAS unless certain conditions are satisfied (e.g. the subsequent disposal of the Stapled Securities is made to an investor belonging outside Singapore).

Investors should seek the advice of their own tax advisers on the recoverability of GST incurred on expenses in connection with the purchase and disposition of the Stapled Securities.

Stamp Duty

Stamp duty should not be imposed on instruments of transfers relating to the Stapled Securities.

CAYMAN ISLANDS TAXATION

As the Cayman Islands does not impose any direct taxes (including income tax and withholding tax), Cayman Corp 1 (which receives interest from US Corp), Cayman Corp 2 (which receives distributions from the Cayman LLCs) and the Cayman LLCs (which receives distributions from the ASAP6 Holdcos) are not expected to be subject to tax in the Cayman Islands. In addition, withholding tax will not be applicable on distributions paid by Cayman Corp 1 to SG Lending Sub.

UNITED STATES TAXATION

The following is a description of (i) certain U.S. federal income tax consequences relating to EH-REIT and its wholly-owned Singapore corporations SG Corp and SG Lending Sub, (ii) certain U.S. federal income tax consequences relating to the U.S. subsidiary of the EH-REIT US Corp indirectly held through SG Corp, the Cayman Islands subsidiary of US Corp ("Cayman Corp 2"), and the Cayman Islands subsidiary of SG Lending Sub ("Cayman Corp 1"), and (iii) certain U.S. federal income tax consequences of the ownership and disposition of the Stapled Securities to Non-U.S. Stapled Securityholders (as defined below).

The discussion below is based on the applicable provisions of the Internal Revenue Code of 1986, as amended ("IRC"), the Treasury Regulations issued under the foregoing, income tax treaties, and judicial and administrative interpretations thereof. The Tax Cuts and Jobs Act was signed into law on December 22, 2017. The Tax Cuts and Jobs Act make significant changes to the U.S. federal income tax rules for taxation of individuals and corporations.

The above authorities are subject to change, retroactively and/or prospectively, and any such changes could affect the validity of the conclusions reached. Prospective purchasers are urged to consult with their tax advisors with respect to the above authorities and any other regulatory or administrative developments and proposals and their potential effect on investment in the Stapled Securities.

Taxation of EH-REIT

Classification of EH-REIT as a Partnership for U.S. Federal Income Tax Purposes

Although EH-REIT is organised as a trust in Singapore, it has elected to be treated as a partnership for U.S. federal income tax purposes. While publicly traded partnerships are generally taxable as corporations under applicable U.S. tax rules, an exception exists with respect to a publicly traded partnership that would not be a regulated investment company were it organised as a U.S. corporation and of which 90% or more of the gross income for every taxable year consists of "qualifying income." Qualifying income includes, among other things, income and gains derived from (i) interest (other than that from a financial business), (ii) dividends, (iii) the sale of real property and (iv) the sale or other disposition of capital assets that otherwise produce qualifying income. EH-REIT expects it will meet both of these requirements and will, therefore, be taxable as a partnership. EH-REIT does not expect that any other rules that result in EH-REIT being subject to corporate-level tax, including the so-called U.S. inversion rules of IRC section 7874, should apply. If the IRS were to challenge EHT's partnership status on this basis and, contrary to expectations, were to succeed in such a challenge, EHT could be treated as a corporation for U.S. federal corporate income tax and Stapled Securityholders could be subject to

a 30% withholding tax on distributions. The Managers understand that the risk of this outcome is low. See more generally the tax risk factor regarding EHT being treated as engaging in a U.S. trade or business.

EH-REIT as a Withholding Foreign Partnership

EH-REIT intends to enter into an agreement with the IRS to be a withholding foreign partnership ("**WFP**"). Under the agreement, EH-REIT would assume primary withholding responsibility with respect to distributions it makes to Stapled Securityholders. As a result, documentation collected by EH-REIT from Stapled Securityholders is retained and does not get transferred by EH-REIT to other funds, portfolio companies, upstream withholding agents, or the IRS, and U.S. tax reporting and compliance will thus be simplified.

As a WFP, EH-REIT also must agree to assume certain obligations, including applying the appropriate U.S. withholding tax rates on amounts distributed to all partners. US Corp will generally pay all interest to Cayman Corp 1 gross (that is, without reduction for any U.S. withholding taxes). Similarly, SG Corp and the SG Lending Sub will generally pay all dividends to EH-REIT gross. EH-REIT will then be required to apply the appropriate amount of withholding tax based on the type of income received and the respective tax classifications of the Stapled Securityholders. EH-REIT may be liable for any under-withholding as well as associated penalties and/or interest.

FATCA

Non-United States financial institutions are subject to specific due diligence and reporting requirements for purposes of identifying accounts and investments held directly or indirectly by United States persons. The failure of a Non-United States financial institution to comply with these additional information reporting, certification and other requirements could result in a 30% withholding tax on applicable payments of United States sourced income. Pursuant to the legislation regarding Intergovernmental Agreements between the United States and the Singapore government for the implementation of FATCA ("Singapore IGA Legislation"), The Central Depository (Pte) Limited ("CDP") and CDP depository agents may be required to withhold 30% of the gross amount of "withholdable payments" (generally allocable shares of income as defined in the IRC) paid or deemed paid to a foreign financial institution ("FFI") or to a nonfinancial foreign entity, unless (i) the FFI undertakes specified diligence and reporting obligations regarding ownership of its accounts by United States persons or (ii) the nonfinancial foreign entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner, respectively. FFIs located in jurisdictions that have an intergovernmental agreement with the United States with respect to these requirements may be subject to different rules.

The foregoing withholding regime is now in effect for payments from sources within the United States but, according to recent administrative guidance, would apply to "foreign passthru payments" two years after the date of publication in the Federal Register of final regulations defining the term "foreign passthru payment". Stapled Securityholders should consult with their tax adviser regarding their compliance.

Partnership Information Returns and Audit Procedures

EH-REIT intends to make available to each Stapled Securityholders that is a United States person, after the close of each taxable year, required tax information, which sets forth each Unit's share EH-REIT's income, gain, loss and deduction for the preceding taxable year. The IRS may audit the federal income tax information returns filed by EH-REIT. Adjustments resulting from any such audit may require each partner to adjust a prior year's tax liability.

EH-REIT intends to elect to adopt newly issued audit procedures effective as of its date of formation. Under these procedures, if the IRS makes audit adjustments to EH-REIT's income tax information returns, it may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustment directly from EH-REIT. Generally, instead of paying any taxes itself, EH-REIT may elect to have any adjustments to its taxable income passed through to those persons who held Stapled Securities during the tax year under audit in proportion to their Stapled Securityholdings in EH-REIT during the tax year under audit, but there can be no assurance that such election will be effective in all circumstances. If EH-REIT does not or is unable to make this election, then the Stapled Securityholders at the time of the audit may bear some or all of the tax liability resulting from such audit adjustment, even if such Stapled Securityholders did not own Stapled Securities during the tax year under audit. If, as a result of any such audit adjustments, EH-REIT is required to make payments of taxes, penalties and interest, its cash available for distribution to Stapled Securityholders would be reduced.

Taxation of US Corp

Classification of US Corp as a Corporation for U.S. Federal Income Tax Purposes

US Corp is classified as a corporation for U.S. federal income tax purposes. US Corp is organised under the laws of Delaware and, therefore, is treated as a domestic corporation.

Income Subject to U.S. Taxation

A domestic corporation is generally subject to U.S. corporate-level tax (the maximum federal rate is 21%) on its worldwide taxable income (i.e., gross income less allowable deductions). The income generated by the USHI Portfolio and the ASAP 6 Portfolio is includable by US Corp in determining its taxable income. In addition, US Corp may be subject to state and local income or other taxation in various jurisdictions, and such treatment may differ from the U.S. federal income tax treatment described herein.

Expenses Deductible in Computing U.S. Taxable Income

US Corp may deduct ordinary and necessary business expenses paid or incurred during the taxable year in computing their U.S. taxable income. Such expenses include state and local taxes, depreciation expense with respect to the properties and interest expense subject to certain limitations.

A number of limitations may apply on the amount of deductible interest expense. For example, the loan must be respected as debt for U.S. tax purposes and interest on a loan owed to a related party is only deductible when paid. In addition, because Cayman Corp 1 and US Corp are under common control, the IRS could seek to reallocate gross income and deductions between these related parties if it determines that the rate of interest charged is in excess of an arm's length rate. In order to avoid such reallocation, US Corp intends to comply with transfer pricing practice relevant to determining the proper rate of interest payable to the Cayman Corp 1. In addition, US Corp intends to comply with available guidance regarding treatment of the loan from Cayman Corp 1 as *bona fide* debt.

A number of other rules also apply that may deny or limit the amount of interest deduction of US Corp. In particular, section 267A, enacted by the *Tax Cuts and Jobs Act,* denies the payor of interest a deduction for any "disqualified related party amount" paid or accrued pursuant to a "hybrid transaction" or by, or to, a "hybrid entity." On December 20th 2018, the IRS released new proposed regulations under Section 267A (the "267A Proposed Regulations"). Under these proposed regulations US Corp is not expected to be disallowed a deduction for the interest payments made to Cayman Corp 1. It is noted, however, that the 267A Proposed Regulations have not been finalised and, although not expected, it is possible that subsequent interpretations of

these regulations or the finalised 267A regulations will alter this conclusion. The loss of interest deductions for US Corp would severely impact EH-REIT's financial condition, cash flows and results of operations, with potentially negative impacts on the holders of stapled securities.

Although the interest income received by Cayman Corp 1 is not subject to an entity level tax in the Cayman Islands, this non-inclusion is not the result of hybridity but rather a result of the Cayman Island not imposing any direct taxes (including income or withholding tax) under existing legislation on its corporate entities. Furthermore, it is not expected for any investor in EH-REIT who is (i) tax resident in a jurisdiction that treats EH-REIT as fiscally transparent and (ii) a related investor (under the rules of section 954(d)(3) but without regard to downward attribution), to not include the interest income paid to Cayman Corp 1 in such investor's taxable income. For these reasons, it is not expected for the 267A Proposed Regulations to disallow US Corp a deduction for the interest payments made to Cayman Corp 1.

The Managers believe that the interest rate on the loan from Cayman Corp 1 is on an arm's length basis under applicable US transfer pricing regulations, that the deductibility of interest is not otherwise limited, and that the loan will be respected as *bona fide* debt. As such, the interest payments are expected to be fully deductible for US tax purpose.

Section 163(j), as amended by the *Tax Cuts and Jobs Act,* disallows a deduction for net business interest expense of any taxpayer in excess of 30% of a business's adjusted taxable income ("**ATI**"). ATI generally resembles a business's EBITDA. For tax years beginning after 2022, the definition of ATI is modified to take into account depreciation and amortization deductions (i.e., the definition becomes closer to a business's EBIT). Any business interest disallowed would be carried forward indefinitely. Taxpayers that conduct a "real property trade or business" may make an irrevocable election to avoid the section 163(j) limitation. The term "real property trade or business", for this purpose, generally means any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business. The Treasury Department and the IRS issued proposed section 163(j) regulations on November 26, 2018. The proposed regulations provide guidance on certain definitional and structural matters but reserve on a number of issues such as the definition of what constitutes a "real property rental" business for this purpose. As such, although US Corp is currently not expected to be precluded from making a real property trade or business election for section 163(j) purposes, this is however subject to any clarification issued in the future by the Treasury Department and the IRS.

The REIT Manager intends to follow the development of these new rules closely in order to assess if US Corp may avail itself to the election to not apply the section 163(j) limitation in order to maximize the companies' deduction on interest expenses. The REIT Manager will seek the relevant US tax advice as appropriate.

Interest payments made by US Corp should generally be deductible in determining their U.S. taxable income taking into account the above provisions. Section 59A, enacted by the *Tax Cuts and Jobs Act,* imposes a base erosion and anti-abuse tax ("**BEAT**") on large multinationals. The tax is imposed on a group with average annual domestic gross receipts of US$500 million or more for the three preceding tax years) that make significant deductible payments to related foreign parties (generally 25% related foreign persons related to the taxpayer or its shareholders.) The tax is computed by applying a special tax rate (generally, 5% for the 2018 tax year, 10% for years through 2025, and 12.5% thereafter, to an adjusted tax base (known as modified taxable income or "**MTI**"). BEAT applies to the extent that the resulting tax is greater than the taxpayer's regular federal corporate income tax (computed after the application of most credits). Taxpayers are subject to the BEAT only if they have a "base erosion percentage" of, generally, 3% or higher for the tax year. The interest payments by US Corp to Cayman Corp 1 are not expected to be subject to BEAT at the present time because the group does not have US$500 million gross receipts.

In general, the deductions for interest and depreciation discussed above in respect of federal taxation are also applicable at the state and local level. However, some states do not conform to the federal taxation provisions, and such states may disallow the interest expense deduction. In those states that do not conform to the IRC or require certain modifications, even though federal taxable income may be in a loss position, there may be state taxable income due.

U.S. Federal Income Taxation of Distributions from US Corp to SG Corp

A distribution by US Corp to SG Corp (which has filed an election to confirm its classification as a corporation for U.S. federal income tax purposes) generally will be treated as dividend for U.S. federal income tax purposes to the extent that it is made out of current or accumulated earnings and profits. A distribution of this type will generally be subject to U.S. federal income tax and withholding at a rate of 30%. On the other hand, distributions in excess of US Corp's current and accumulated earnings and profits are generally a non-taxable return of capital to the extent that they do not exceed SG Corp's adjusted basis in its US Corp's stock, with the non-taxable return of capital reducing the adjusted basis in those Stapled Securities. Although distributions in excess of US Corp's current and accumulated earnings and profits are generally non-taxable to the extent that they do not exceed SG Corp's adjusted basis in its US Corp's stock, such distributions are nevertheless subject to 15% withholding. SG Corp may seek a refund from the IRS of any amounts withheld on distributions to it in excess of US Corp's current and accumulated earnings and profits, if the applicable withholding agent has properly deposited the withheld amounts with the IRS and such amounts exceed SG Corp's U.S. federal income tax liability.

US Corp is a USRPHC (i.e., a U.S. corporation whose assets consist principally of U.S. real property interests). Therefore, distributions that are in excess of its current and accumulated earnings and profits and cost basis will be taxed to SG Corp as if these distributions were ECI to SG Corp. Accordingly, SG Corp (i) will be taxed on these amounts at the ordinary U.S. federal income tax rates applicable to a U.S. corporation, currently at 21% and (ii) will be required to file a U.S. federal income tax return reporting these amounts, even if applicable withholding is imposed as described below. US Corp will generally be required to withhold 15% of any distributions to SG Corp that is not treated as a dividend for U.S. federal income tax purposes. The amount of any such tax withholding will be creditable against SG Corp's U.S. federal income tax liability, and SG Corp may file for a refund from the IRS of any amount withheld that is in excess of that tax liability, provided that the applicable withholding agent has properly deposited the withheld amounts with the IRS.

Taxation of Cayman Corp 2

Classification of Cayman Corp 2 as a Disregarded Entity for U.S. Federal Income Tax Purposes

Cayman Corp 2 is formed under the laws of Cayman Islands and for U.S. federal income tax purposes is a foreign eligible entity with a single owner that defaults to treatment as an association taxable as a corporation. Notwithstanding this default tax status, Cayman Corp 2 has made an election using Form 8832 to be disregarded as a separate entity for U.S. federal income tax purposes.

Taxation of Non-U.S. Stapled Securityholders

THE RULES GOVERNING THE U.S. FEDERAL INCOME TAXATION OF NON-U.S. HOLDERS ARE COMPLEX AND THIS SUMMARY IS FOR GENERAL INFORMATION ONLY. NON-U.S. HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE IMPACT OF U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME TAX LAWS ON OWNERSHIP OF THE STAPLED SECURITIES, INCLUDING ANY REPORTING REQUIREMENTS.

The following discussion describes certain U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of an investment in the Stapled Securities. This discussion applies only to investors that hold the Stapled Securities as capital assets and that acquire Stapled Securities in the Offering. This discussion is based upon current provisions of the Code, existing and proposed Treasury Regulations thereunder, current administrative rulings, judicial decisions and other applicable authorities. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The following discussion does not deal with the tax consequences to any particular investor or to persons in special tax situations (except as specifically addressed herein) such as banks, certain financial institutions, insurance companies, broker dealers, U.S. expatriates, traders that elect to mark to market, tax-exempt entities, persons liable for alternative minimum tax or persons holding a Unit as part of a straddle, hedging, conversion or integrated transaction.

A "**Non-U.S. Stapled Securityholder**" is a beneficial owner of a Unit that is neither a U.S. Holder nor a partnership (including an entity that is treated as a partnership for U.S. federal income tax purposes). A "**U.S. Stapled Securityholder**" is a beneficial owner of a Unit that is, for U.S. federal income tax purposes: (i) an individual citizen or resident of the U.S., (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organised in or under the laws of the U.S., any state thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source or (iv) a trust that (a) is subject to the supervision of a court within the U.S. and the control of one or more U.S. persons or (b) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

The U.S. federal income tax treatment of a partner in a partnership or other entity treated as a partnership that holds Stapled Securities depends on the status of the partner and the activities of the partnership. Partners in a partnership that owns Stapled Securities should consult their own tax advisors as to the particular U.S. federal income tax considerations applicable to them.

U.S. Federal Income Taxation of Stapled Securityholders

Interest Payments from US Corp

SG Lending Sub and Cayman Corp 1 will be disregarded as separate from EH-REIT. Interest payments to Cayman Corp 1 will, therefore, be treated as being received by EH-REIT. As discussed above, EH-REIT will be treated as a partnership for U.S. federal income tax purposes. As such, each Stapled Securityholder will be required to take into account for U.S. federal income tax purposes its allocable share of interest payments from US Corp.

The interest payments from US Corp to Cayman Corp 1 will be free of U.S. federal income tax and the 30% withholding requirement to the extent the interest qualifies as "**portfolio interest**." The interest is expected to qualify as portfolio interest with respect to any Non-U.S. Stapled Securityholder provided that (i) the beneficial owner does not actually or constructively own 10% or more of the total combined voting power of all classes of Stapled Securities entitled to vote, (ii) the beneficial owner is not a CFC to which US Corp is a "related person" within the meaning of the IRC, and (iii) the beneficial owner has provided a statement signed under penalties of perjury that includes its name and address and certifies that it is a Non-U.S. Stapled Securityholder in compliance with applicable requirements, on an applicable IRS Form W-8.

The constructive ownership rules generally attribute ownership of stock (i) to individuals from spouses, children, grandchildren and parents ("family attribution"), (ii) to beneficial owners of entities from such entities ("upward attribution"), (iii) to entities from their beneficial owners ("downward attribution") and (iv) to option holders from options to acquire such stock ("option attribution"). In the case of (i) upward attribution and (ii) downward attribution from a shareholder that owns less than 50 percent of the value of a corporation, the stock attributed is proportional to (i) the beneficial owner's ownership of the entity and (ii) the shareholder's ownership interest in the corporation measured by value, respectively. In all other cases of downward attribution, all of the stock owned is attributed down.

All of the attribution rules generally apply simultaneously, except (i) stock constructively owned by an individual through family attribution cannot be subsequently treated as constructively owned by another individual through family attribution, (ii) stock constructively owned through downward attribution cannot be subsequently treated as constructively owned through upward attribution, (iii) stock constructively owned through option attribution cannot be subsequently treated as constructively owned through family, upward or downward attribution, and (iv) if option attribution and family attribution apply to the same stock, the stock is treated as constructively owned through option attribution.

Interest received that does not qualify as portfolio interest will generally be subject to U.S. federal income tax and withholding at a rate of 30% (or a lower applicable tax treaty rate) unless received by Cayman Corp 1 in respect of (i) a Non-U.S. Stapled Securityholder whose investment in the Stapled Securities is effectively connected with its conduct of a trade or business in the United States and a properly completed Form W-8ECI has not been completed or (ii) a Stapled Securityholder that is a U.S. person. Such Stapled Securityholders will be subject to tax with respect to interest from US Corp as ordinary income, and a corporate Non-U.S. Stapled Securityholder also may be subject to the 30% branch profits tax thereon. Non-U.S. Stapled Securityholders who have not submitted the relevant U.S. tax forms completely and accurately will also be subject to U.S. federal income tax and withholding tax at a rate of 30.0% (or a lower tax treaty rate, if applicable).

Disposition of the Stapled Securities

Gain on sale of Stapled Securities by a Non-U.S. Stapled Securityholder will not be subject to U.S. federal income taxation unless (i) the Non-U.S. Stapled Securityholder's investment in the Stapled Securities is effectively connected with its conduct of a trade or business in the United States (and, if provided by an applicable income tax treaty, is attributable to a permanent establishment or fixed base the Non-U.S. Stapled Securityholder maintains in the United States) and a properly completed Form W-8ECI has not been completed, (ii) the Non-U.S. Stapled Securityholder is present in the United State for 183 days or more in the taxable year of the sale and other specified conditions are met, or (iii) the Non-U.S. Stapled Securityholder is subject to U.S. federal income tax pursuant to the provisions of the U.S. tax law applicable to U.S. expatriates.

If gain on the sale of Stapled Securities would be subject to U.S. federal income taxation, the Stapled Securityholder would generally recognise any gain or loss equal to the difference between the amount realised and the Stapled Securityholder's adjusted basis in its Stapled Securities that are sold or exchanged. This gain or loss would be capital gain or loss, and would be long-term capital gain or loss if the Stapled Securityholder's holding period in its Stapled Securities exceeds one year. In addition, a corporate Non-U.S. Stapled Securityholder may be subject to the branch profits tax thereon.

Other Distributions by EH-REIT

Distributions by EH-REIT to a Non-U.S. Stapled Securityholder attributable to distributions received from SG Corp will not be subject to U.S. federal income taxation unless (i) the Non-U.S. Stapled Securityholder's investment in the Stapled Securities is effectively connected with its conduct of a trade or business in the United States (and, if provided by an applicable income tax treaty, is attributable to a permanent establishment or fixed base the Non-U.S. Stapled Securityholder maintains in the United States) and if a properly completed Form W-8ECI has not been completed or (ii) the Non-U.S. Stapled Securityholder is subject to U.S. federal income tax pursuant to the provisions of the U.S. tax law applicable to U.S. expatriates.

(See Annex for the United States Taxation Report issued by KPMG LLP (US).)

Yours faithfully

Leonard Ong
Executive Director, Tax
For and on behalf of
KPMG Services Pte. Ltd.

UNITED STATES TAXATION REPORT

The Board of Directors
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16 May 2019

Dear Sirs

Certain U.S. Federal Income Tax Considerations

THIS SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. THE SUMMARY DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL TAXATION THAT MAY BE RELEVANT TO A PARTICULAR PROSPECTIVE INVESTOR IN LIGHT OF ITS PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION AND DOES NOT DESCRIBE ANY ESTATE, GIFT, STATE, LOCAL OR OTHER NON-TAX CONSIDERATIONS. PROSPECTIVE STAPLED SECURITYHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS REGARDING THE FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE STAPLED SECURITIES.

The following is a description of (i) certain U.S. federal income tax consequences relating to Eagle Hospitality Real Estate Investment Trust ("**EH-REIT**") and its wholly-owned Singapore corporations ("**SG Corp**" and "**SG Lending Sub**"), (ii) certain U.S. federal income tax consequences relating to the U.S. subsidiary of the EH-REIT ("**US Corp**") indirectly held through SG Corp, the Cayman Islands subsidiary of US Corp ("**Cayman Corp 2**"), and the Cayman Islands subsidiary of SG Lending Sub ("**Cayman Corp 1**"), and (iii) certain U.S. federal income tax consequences of the ownership and disposition of the Stapled Securities to Non-U.S. Stapled Securityholders (as defined below). (See Appendix F, "Independent Taxation Report – United States Taxation" and Appendix F, "Independent Taxation Report – Annex – United States Taxation Report")

The discussion below is based on the applicable provisions of the IRC, as amended, the Treasury Regulations issued under the foregoing, income tax treaties, and judicial and administrative interpretations thereof, as at 8.00 a.m. Singapore time on the date of this letter. The *Tax Cuts and Jobs Act* was signed into law on December 22, 2017. The *Tax Cuts and Jobs Act* make significant changes to the U.S. federal income tax rules for taxation of individuals and corporations.

The above authorities are subject to change, retroactively and/or prospectively, and any such changes could affect the validity of the conclusions reached. Prospective purchasers are urged to consult with their tax advisors with respect to the above authorities and any other regulatory or administrative developments and proposals and their potential effect on investment in the Stapled Securities.

Taxation of EH-REIT

Classification of EH-REIT as a Partnership for U.S. Federal Income Tax Purposes

Although EH-REIT is organised as a trust in Singapore, it has elected to be treated as a partnership for U.S. federal income tax purposes. While publicly traded partnerships are generally taxable as corporations under applicable U.S. tax rules, an exception exists with respect to a publicly traded partnership that would not be a regulated investment company were it organised as a U.S. corporation and of which 90% or more of the gross income for every taxable year consists of "qualifying income." Qualifying income includes, among other things, income and gains derived from (i) interest (other than that from a financial business), (ii) dividends, (iii) the sale of real property and (iv) the sale or other disposition of capital assets that otherwise produce qualifying income. EH-REIT expects it will meet both of these requirements and will, therefore, be taxable as a partnership. EH-REIT does not expect that any other rules that result in EH-REIT being subject to corporate-level tax, including the so-called U.S. inversion rules of IRC section 7874, should apply. If the IRS were to challenge EHT's partnership status on this basis and, contrary to expectations, were to succeed in such a challenge, EHT could be treated as a corporation for U.S. federal corporate income tax and Stapled Securityholders could be subject to a 30% withholding tax on distributions. The Managers understand that the risk of this outcome is low. See more generally the tax risk factor regarding EHT being treated as engaging in a U.S. trade or business.

EH-REIT as a Withholding Foreign Partnership

EH-REIT intends to enter into an agreement with the IRS to be a withholding foreign partnership ("**WFP**"). Under the agreement, EH-REIT intends to assume primary withholding responsibility with respect to distributions it makes to Stapled Securityholders. As a result, documentation collected by EH-REIT from Stapled Securityholders is retained and does not get transferred by EH-REIT to other funds, portfolio companies, upstream withholding agents, or the IRS, and U.S. tax reporting and compliance will thus be simplified.

As a WFP, EH-REIT also must agree to assume certain obligations, including applying the appropriate U.S. withholding tax rates on amounts distributed to all partners. US Corp will generally pay all interest to Cayman Corp 1 gross (that is, without reduction for any U.S. withholding taxes). Similarly, SG Corp and the SG Lending Sub will generally pay all dividends to EH-REIT gross. EH-REIT will then be required to apply the appropriate amount of withholding tax based on the type of income received and the respective tax classifications of the Stapled Securityholders. EH-REIT may be liable for any under-withholding as well as associated penalties and/or interest.

FATCA

Non-United States financial institutions are subject to specific due diligence and reporting requirements for purposes of identifying accounts and investments held directly or indirectly by United States persons. The failure of a Non-United States financial institution to comply with these additional information reporting, certification and other requirements could result in a 30% withholding tax on applicable payments of United States sourced income. Pursuant to the legislation regarding intergovernmental agreements between the United States and the Singapore government for the implementation of FATCA ("Singapore IGA Legislation"), The Central Depository (Pte) Limited ("CDP") and CDP depository agents may be required to withhold 30% of the gross amount of "withholdable payments" (generally allocable shares of income as defined in the IRC) paid or deemed paid to a foreign financial institution ("FFI") or to a nonfinancial foreign entity, unless (i) the FFI undertakes specified diligence and reporting obligations regarding ownership of its accounts by United States persons or (ii) the nonfinancial foreign entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner, respectively. FFIs located in jurisdictions that have an intergovernmental agreement with the United States with respect to these requirements may be subject to different rules.

The foregoing withholding regime is now in effect for payments from sources within the United States but, according to recent administrative guidance, will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2019. Stapled Securityholders should consult with their tax adviser regarding their compliance.

Partnership Information Returns and Audit Procedures

EH-REIT intends to make available to each Stapled Securityholders that is a United States person, after the close of each taxable year, required tax information, which sets forth each Unit's share EH-REIT's income, gain, loss and deduction for the preceding taxable year. The IRS may audit the federal income tax information returns filed by EH-REIT. Adjustments resulting from any such audit may require each partner to adjust a prior year's tax liability.

EH-REIT intends to elect to adopt newly issued audit procedures effective as of its date of formation. Under these procedures, if the IRS makes audit adjustments to EH-REIT's income tax information returns, it may assess and collect any taxes (including any applicable penalties and interest) resulting from such audit adjustment directly from EH-REIT. Generally, instead of paying any taxes itself, EH-REIT may elect to have any adjustments to its taxable income passed through to those persons who held Stapled Securities during the tax year under audit in proportion to their Stapled Securityholdings in EH-REIT during the tax year under audit, but there can be no assurance that such election will be effective in all circumstances. If EH-REIT does not or is unable to make this election, then the Stapled Securityholders at the time of the audit may bear some or all of the tax liability resulting from such audit adjustment, even if such Stapled Securityholders did not own Stapled Securities during the tax year under audit. If, as a result of any such audit adjustments, EH-REIT is required to make payments of taxes, penalties and interest, its cash available for distribution to Stapled Securityholders would be reduced.

Taxation of US Corp

Classification of US Corp as a Corporation for U.S. Federal Income Tax Purposes

US Corp is classified as a corporation for U.S. federal income tax purposes. US Corp is organised under the laws of Delaware and, therefore, is treated as a domestic corporation.

Income Subject to U.S. Taxation

A domestic corporation is generally subject to U.S. corporate-level tax (the maximum federal rate is 21%) on its worldwide taxable income (i.e., gross income less allowable deductions). The income generated by the USHI Portfolio and the ASAP 6 Portfolio is includable by US Corp in determining its taxable income. In addition, US Corp may be subject to state and local income or other taxation in various jurisdictions, and such treatment may differ from the U.S. federal income tax treatment described herein.

Expenses Deductible in Computing U.S. Taxable Income

US Corp may deduct ordinary and necessary business expenses paid or incurred during the taxable year in computing their U.S. taxable income. Such expenses include state and local taxes, depreciation expense with respect to the properties and interest expense subject to certain limitations.

A number of limitations may apply on the amount of deductible interest expense. For example, the loan must be respected as debt for U.S. tax purposes and interest on a loan owed to a related party is only deductible when paid. In addition, because Cayman Corp 1 and US Corp are under common control, the IRS could seek to reallocate gross income and deductions between these related parties if it determines that the rate of interest charged is in excess of an arm's length rate. In order to avoid such reallocation, US Corp intends to comply with transfer pricing practice relevant to determining the proper rate of interest payable to the Cayman Corp 1. In addition, US Corp intends to comply with available guidance regarding treatment of the loan from Cayman Corp 1 as *bona fide* debt.

A number of other rules also apply that may deny or limit the amount of interest deduction of US Corp. In particular, section 267A, enacted by the *Tax Cuts and Jobs Act,* denies the payor of interest a deduction for any "disqualified related party amount" paid or accrued pursuant to a "hybrid transaction" or by, or to, a "hybrid entity." On December 20th 2018, the IRS released new proposed regulations under Section 267A (the "267A Proposed Regulations"). Under these proposed regulations US Corp is not expected to be disallowed a deduction for the interest payments made to Cayman Corp 1. It is noted, however, that the 267A Proposed Regulations have not been finalised and, although not expected, it is possible that subsequent interpretations of these regulations or the finalised 267A regulations will alter this conclusion. The loss of interest deductions for US Corp would severely impact EH-REIT's financial condition, cash flows and results of operations, with potentially negative impacts on the holders of stapled securities.

Although the interest income received by Cayman Corp 1 is not subject to an entity level tax in the Cayman Islands, this non-inclusion is not the result of hybridity but rather a result of the Cayman Island not imposing any direct taxes (including income or withholding tax) under existing legislation on its corporate entities. Furthermore, it is not expected for any investor in EH-REIT who is (i) tax resident in a jurisdiction that treats EH-REIT as fiscally transparent and (ii) a related investor (under the rules of section 954(d)(3) but without regard to downward attribution), to not include the interest income paid to Cayman Corp 1 in such investor's taxable income. For these reasons, it is not expected for the 267A Proposed Regulations to disallow US Corp a deduction for the interest payments made to Cayman Corp 1.

The REIT Manager believes that the interest rate on the loan from Cayman Corp 1 is on an arm's length basis under applicable US transfer pricing regulations, that the deductibility of interest is not otherwise limited, and that the loan will be respected as *bona fide* debt. As such, the interest payments are expected to be fully deductible for US tax purpose.

Section 163(j), as amended by the *Tax Cuts and Jobs Act,* disallows a deduction for net business interest expense of any taxpayer in excess of 30% of a business's adjusted taxable income ("**ATI**"). ATI generally resembles a business's EBITDA. For tax years beginning after 2022, the definition of ATI is modified to take into account depreciation and amortization deductions (i.e., the definition becomes closer to a business's EBIT). Any business interest disallowed would be carried forward indefinitely. Taxpayers that conduct a "real property trade or business" may make an irrevocable election to avoid the section 163(j) limitation. The term "real property trade or business", for this purpose, generally means any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business. The Treasury Department and the IRS issued proposed section 163(j) regulations on November 26, 2018. The proposed regulations provide guidance on certain definitional and structural matters but reserve on a number of issues such as the definition of what constitutes a "real property rental" business for this purpose. As such, although US Corp is currently not expected to be precluded from making a real property trade or business election for section 163(j) purposes, this is however subject to any clarification issued in future by the Treasury Department and the IRS.

The REIT Manager intends to follow the development of these new rules closely in order to assess if US Corp may avail themselves to the election to not apply the section 163(j) limitation in order to maximize the companies' deduction on interest expenses. The REIT Manager will seek the relevant US tax advice as appropriate.

Interest payments made by US Corp should generally be deductible in determining their U.S. taxable income taking into account the above provisions. Section 59A, enacted by the *Tax Cuts and Jobs Act,* imposes a base erosion and anti-abuse tax ("**BEAT**") on large multinationals. The tax is imposed on a group with average annual domestic gross receipts of US$500 million or more for the three preceding tax years) that make significant deductible payments to related foreign parties (generally 25% related foreign persons related to the taxpayer or its shareholders.) The tax is computed by applying a special tax rate (generally, 5% for the 2018 tax year, 10% for years through 2025, and 12.5% thereafter, to an adjusted tax base (known as modified taxable income or "**MTI**"). BEAT applies to the extent that the resulting tax is greater than the taxpayer's regular federal corporate income tax (computed after the application of most credits). Taxpayers are subject to the BEAT only if they have a "base erosion percentage" of, generally, 3% or higher for the tax year. The interest payments by US Corp to Cayman Corp 1 are not expected to be subject to BEAT at the present time because the group does not have US$500 million gross receipts.

In general, the deductions for interest and depreciation discussed above in respect of federal taxation are also applicable at the state and local level. However, some states do not conform to the federal taxation provisions, and such states may disallow the interest expense deduction. In those states that do not conform to the IRC or require certain modifications, even though federal taxable income may be in a loss position, there may be state taxable income due.

U.S. Federal Income Taxation of Distributions from US Corp to SG Corp

A distribution by US Corp to SG Corp (which has filed an election to confirm its classification as a corporation for U.S. federal income tax purposes) generally will be treated as dividend for U.S. federal income tax purposes to the extent that it is made out of current or accumulated earnings and profits. A distribution of this type will generally be subject to U.S. federal income tax and withholding at a rate of 30%. On the other hand, distributions in excess of US Corp's current and accumulated earnings and profits are generally a non-taxable return of capital to the extent that they do not exceed SG Corp's adjusted basis in its US Corp's stock, with the non-taxable return of capital reducing the adjusted basis in those Stapled Securities. Although distributions in excess of US Corp's current and accumulated earnings and profits are generally non-taxable to the extent that they do not exceed SG Corp's adjusted basis in its US Corp's stock, such distributions are nevertheless subject to 15% withholding. SG Corp may seek a refund from the IRS of any amounts

withheld on distributions to it in excess of US Corp's current and accumulated earnings and profits, if the applicable withholding agent has properly deposited the withheld tax with the IRS.

US Corp is a USRPHC (i.e., a U.S. corporation whose assets consist principally of U.S. real property interests). Therefore, distributions that are in excess of its current and accumulated earnings and profits and cost basis will be taxed to SG Corp as if these distributions were ECI to SG Corp. Accordingly, SG Corp (i) will be taxed on these amounts at the ordinary federal income tax rates applicable to a U.S. corporation, currently at 21% and (ii) will be required to file a U.S. federal income tax return reporting these amounts, even if applicable withholding is imposed as described below. US Corp will generally be required to withhold 15% of any distributions to SG Corp that is not treated as a dividend for U.S. federal income tax purposes. The amount of any such withholding will be creditable against SG Corp's U.S. federal income tax liability, and SG Corp may file for a refund from the IRS of any amount withheld that is in excess of that tax liability, provided that the applicable withholding agent has properly deposited the withheld amounts with the IRS.

Taxation of Cayman Corp 2

Classification of Cayman Corp 2 as a Disregarded Entity for U.S. Federal Income Tax Purposes

Cayman Corp 2 is formed under the laws of Cayman Islands and for U.S. federal income tax purposes is a foreign eligible entity with a single owner that defaults to treatment as an association taxable as a corporation. Notwithstanding this default tax status, Cayman Corp 2 has made an election using Form 8832 to be disregarded as a separate entity for U.S. federal income tax purposes.

Taxation of Non-U.S. Stapled Securityholders

THE RULES GOVERNING THE U.S. FEDERAL INCOME TAXATION OF NON-U.S. HOLDERS ARE COMPLEX AND THIS SUMMARY IS FOR GENERAL INFORMATION ONLY. NON-U.S. HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE IMPACT OF U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME TAX LAWS ON OWNERSHIP OF THE STAPLED SECURITIES, INCLUDING ANY REPORTING REQUIREMENTS.

The following discussion describes certain U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of an investment in the Stapled Securities. This discussion applies only to investors that hold the Stapled Securities as capital assets and that acquire Stapled Securities in the Offering. This discussion is based upon current provisions of the Code, existing and proposed Treasury Regulations thereunder, current administrative rulings, judicial decisions and other applicable authorities. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The following discussion does not deal with the tax consequences to any particular investor or to persons in special tax situations (except as specifically addressed herein) such as banks, certain financial institutions, insurance companies, broker dealers, U.S. expatriates, traders that elect to mark to market, tax-exempt entities, persons liable for alternative minimum tax or persons holding a Unit as part of a straddle, hedging, conversion or integrated transaction.

A "**Non-U.S. Stapled Securityholder**" is a beneficial owner of a Unit that is neither a U.S. Holder nor a partnership (including an entity that is treated as a partnership for U.S. federal income tax purposes). A "**U.S. Stapled Securityholder**" is a beneficial owner of a Unit that is, for U.S. federal income tax purposes: (i) an individual citizen or resident of the U.S., (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organised in or under the

laws of the U.S., any state thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source or (iv) a trust that (a) is subject to the supervision of a court within the U.S. and the control of one or more U.S. persons or (b) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

The U.S. federal income tax treatment of a partner in a partnership or other entity treated as a partnership that holds Stapled Securities depends on the status of the partner and the activities of the partnership. Partners in a partnership that owns Stapled Securities should consult their own tax advisors as to the particular U.S. federal income tax considerations applicable to them.

U.S. Federal Income Taxation of Stapled Securityholders

Interest Payments from US Corp

SG Lending Sub and Cayman Corp 1 will be disregarded as separate from EH-REIT. Interest payments to Cayman Corp 1 will, therefore, be treated as being received by EH-REIT. As discussed above, EH-REIT will be treated as a partnership for U.S. federal income tax purposes. As such, each Stapled Securityholder will be required to take into account for U.S. federal income tax purposes its allocable share of interest payments from US Corp.

The interest payments from US Corp to Cayman Corp 1 will be free of U.S. federal income tax and the 30% withholding requirement to the extent the interest qualifies as "**portfolio interest**." The interest is expected to qualify as portfolio interest with respect to any Non-U.S. Stapled Securityholder provided that (i) the beneficial owner does not actually or constructively own 10% or more of the total combined voting power of all classes of Stapled Securities entitled to vote, (ii) the beneficial owner is not a CFC to which US Corp is a "related person" within the meaning of the IRC, and (iii) the beneficial owner has provided a statement signed under penalties of perjury that includes its name and address and certifies that it is a Non-U.S. Stapled Securityholder in compliance with applicable requirements, on an applicable IRS Form W-8.

The constructive ownership rules generally attribute ownership of stock (i) to individuals from spouses, children, grandchildren and parents ("family attribution"), (ii) to beneficial owners of entities from such entities ("upward attribution"), (iii) to entities from their beneficial owners ("downward attribution") and (iv) to option holders from options to acquire such stock ("option attribution"). In the case of (i) upward attribution and (ii) downward attribution from a shareholder that owns less than 50 percent of the value of a corporation, the stock attributed is proportional to (i) the beneficial owner's ownership of the entity and (ii) the shareholder's ownership interest in the corporation measured by value, respectively. In all other cases of downward attribution, all of the stock owned is attributed down.

All of the attribution rules generally apply simultaneously, except (i) stock constructively owned by an individual through family attribution cannot be subsequently treated as constructively owned by another individual through family attribution, (ii) stock constructively owned through downward attribution cannot be subsequently treated as constructively owned through upward attribution, (iii) stock constructively owned through option attribution cannot be subsequently treated as constructively owned through family, upward or downward attribution, and (iv) if option attribution and family attribution apply to the same stock, the stock is treated as constructively owned through option attribution.

Interest received that does not qualify as portfolio interest will generally be subject to U.S. federal withholding at a rate of 30% (or a lower applicable tax treaty rate) unless received by Cayman Corp 1 in respect of (i) a Non-U.S. Stapled Securityholder whose investment in the Stapled Securities is effectively connected with its conduct of a trade or business in the United States and a properly completed Form W-8ECI has not been completed or (ii) a Stapled Securityholder that is a U.S. person. Such Stapled Securityholders will be subject to tax with respect to interest from

US Corp as ordinary income, and a corporate Non-U.S. Stapled Securityholder also may be subject to the 30% branch profits tax thereon. Non-U.S. Stapled Securityholders who have not submitted the relevant U.S. tax forms completely and accurately will also be subject to U.S. federal income tax and withholding tax at a rate of 30.0% (or a lower tax treaty rate, if applicable).

Disposition of the Stapled Securities

Gain on sale of Stapled Securities by a Non-U.S. Stapled Securityholder will not be subject to U.S. federal income taxation unless (i) the Non-U.S. Stapled Securityholder's investment in the Stapled Securities is effectively connected with its conduct of a trade or business in the United States (and, if provided by an applicable income tax treaty, is attributable to a permanent establishment or fixed base the Non-U.S. Stapled Securityholder maintains in the United States) and a properly completed Form W-8ECI has not been completed, (ii) the Non-U.S. Stapled Securityholder is present in the United State for 183 days or more in the taxable year of the sale and other specified conditions are met, or (iii) the Non-U.S. Stapled Securityholder is subject to U.S. federal income tax pursuant to the provisions of the U.S. tax law applicable to U.S. expatriates.

If gain on the sale of Stapled Securities would be subject to U.S. federal income taxation, the Stapled Securityholder would generally recognise any gain or loss equal to the difference between the amount realised and the Stapled Securityholder's adjusted basis in its Stapled Securities that are sold or exchanged. This gain or loss would be capital gain or loss, and would be long-term capital gain or loss if the Stapled Securityholder's holding period in its Stapled Securities exceeds one year. In addition, a corporate Non-U.S. Stapled Securityholder may be subject to the branch profits tax thereon.

Other Distributions by EH-REIT

Distributions by EH-REIT to a Non-U.S. Stapled Securityholder attributable to distributions received from SG Corp will not be subject to U.S. federal income taxation unless (i) the Non-U.S. Stapled Securityholder's investment in the Stapled Securities is effectively connected with its conduct of a trade or business in the United States (and, if provided by an applicable income tax treaty, is attributable to a permanent establishment or fixed base the Non-U.S. Stapled Securityholder maintains in the United States) and a properly completed Form W-8ECI has not been completed or (ii) the Non-U.S. Stapled Securityholder is subject to U.S. federal income tax pursuant to the provisions of the U.S. tax law applicable to U.S. expatriates.

Yours faithfully

Daniel J. Paulos
Principal, Tax
For and on behalf of
KPMG LLP (a Delaware limited liability partnership)

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TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION FOR AND ACCEPTANCE OF THE STAPLED SECURITIES IN SINGAPORE

Applications are invited for the subscription of the Stapled Securities at the Offering Price per Stapled Security on the terms and conditions set out below and in the printed application forms to be used for the purpose of the Offering and which forms part of this Prospectus (the "**Application Forms**") or, as the case may be, the Electronic Applications (as defined below).

Investors applying for the Stapled Securities in the Offering by way of Application Forms or Electronic Applications are required to pay (in the case of Public Offer Stapled Securities) in Singapore dollars and (in the case of Placement Stapled Securities) in United States dollars, the Offering Price of US$0.78 per Stapled Security (such amount being S$1.071 based on the exchange rate of US$1.00 to approximately S$1.3731 as determined by the Managers in consultation with DBS Bank Ltd.), subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom) where (i) an application is rejected or accepted in part only, or (ii) if the Offering does not proceed for any reason.

(1) **The minimum initial subscription is for 1,000 Stapled Securities. You may subscribe for a larger number of Stapled Securities in integral multiples of 100 thereof. Your application for any other number of Stapled Securities will be rejected.**

(2) You may apply for the Stapled Securities only during the period commencing at 9.00 p.m. on 16 May 2019 and expiring at 12.00 noon on 22 May 2019. The Offering period may be extended or shortened to such date and/or time as the Managers may agree with the Joint Bookrunners, subject to all applicable laws and regulations and the rules of the SGX-ST.

(3) (a) Your application for the Stapled Securities offered in the Public Offer (the "**Public Offer Stapled Securities**") may be made by way of the printed **WHITE** Public Offer Stapled Securities Application Forms or by way of Automated Teller Machines ("**ATM**") belonging to the Participating Banks ("**ATM Electronic Applications**"), the Internet Banking ("**IB**") website of the relevant Participating Banks ("**Internet Electronic Applications**") or the DBS Bank Ltd. ("**DBS Bank**") mobile banking interface ("**mBanking Applications**", which together with the ATM Electronic Applications and Internet Electronic Applications, shall be referred to as "**Electronic Applications**").

(b) Your application for the Stapled Securities offered in the Placement Tranche (the "**Placement Stapled Securities**") may be made by way of the printed **BLUE** Placement Stapled Securities Application Forms (or in such other manner as the Joint Bookrunners may in their absolute discretion deem appropriate).

(4) **You may not use your CPF Funds or CPF investible savings to apply for the Stapled Securities.**

(5) **Only one application may be made for the benefit of one person for the Public Offer Stapled Securities in his own name. Multiple applications for the Public Offer Stapled Securities will be rejected, except in the case of applications by approved nominee companies where each application is made on behalf of a different beneficiary.**

You may not submit multiple applications for the Public Offer Stapled Securities via the Public Offer Stapled Securities Application Form, or Electronic Applications. A person who is submitting an application for the Public Offer Stapled Securities by way

of the Public Offer Stapled Securities Application Form may not submit another application for the Public Offer Stapled Securities by way of Electronic Applications and vice versa.

A person, other than an approved nominee company, who is submitting an application for the Public Offer Stapled Securities in his own name should not submit any other applications for the Public Offer Stapled Securities, whether on a printed Application Form or by way of an Electronic Application, for any other person. Such separate applications will be deemed to be multiple applications and shall be rejected.

Joint or multiple applications for the Public Offer Stapled Securities shall be rejected. Persons submitting or procuring submissions of multiple applications for the Public Offer Stapled Securities may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, and such applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications (other than as provided herein) will be liable to be rejected at our discretion.

(6) **Multiple applications may be made in the case of applications by any person for (i) the Placement Stapled Securities only (via Placement Stapled Securities Application Forms or such other form of application as the Joint Bookrunners may in their absolute discretion deem appropriate) or (ii) the Placement Stapled Securities together with a single application for the Public Offer Stapled Securities.**

(7) Applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships, chops or non-corporate bodies, joint Securities Account holders of CDP will be rejected.

(8) Applications from any person whose addresses (furnished in their printed Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Bank, as the case may be) bear post office box numbers will be rejected. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of the application.

(9) The existence of a trust will not be recognised. Any application by a trustee or trustees must be made in his/her or their own name(s) and without qualification or, where the application is made by way of a printed Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 10 below.

(10) **Nominee applications may only be made by approved nominee companies.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies will be rejected.

(11) **If you are not an approved nominee company, you must maintain a Securities Account with CDP in your own name at the time of your application.** If you do not have an existing Securities Account with CDP in your own name at the time of application, your application will be rejected (if you apply by way of an Application Form) at the sole discretion of the Managers or you will not be able to complete your application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your CDP Securities Account number or provide an incorrect CDP Securities Account number in your Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected.

(12) Subject to paragraphs 14 to 17 below, your application is liable to be rejected if your particulars such as name, National Registration Identity Card ("**NRIC**") number or passport number or company registration number, nationality and permanent residence status, and CDP Securities Account number provided in your Application Form, or in the case of an Electronic Application, contained in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with CDP, your application shall be rejected.

(13) If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allocation from CDP will be sent to your address last registered with CDP.

(14) This Prospectus and its accompanying documents (including the Application Forms) have not been registered in any jurisdiction other than in Singapore. The distribution of this Prospectus and its accompanying documents (including the Application Forms) may be prohibited or restricted (either absolutely or unless various securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

Without limiting the generality of the foregoing, neither this Prospectus and its accompanying documents (including the Application Forms) nor any copy thereof may be taken, transmitted, published or distributed, whether directly or indirectly, in whole or in part in or into the United States or any other jurisdiction (other than Singapore) and they do not constitute an offer of securities for sale into the United States or any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such an offer. The Stapled Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws. The Stapled Securities are being offered and sold outside the United States (including institutional and other investors in Singapore) in reliance on Regulation S. There will be no public offer of Stapled Securities in the United States. Any failure to comply with this restriction may constitute a violation of securities laws in the United States and in other jurisdictions.

The Managers reserve the right to reject any application for Stapled Securities where the Managers believe or have reason to believe that such applications may violate the securities laws or any applicable legal or regulatory requirements of any jurisdiction.

No person in any jurisdiction outside Singapore receiving this Prospectus or its accompanying documents (including the Application Forms) may treat the same as an offer or invitation to subscribe for any Stapled Securities unless such an offer or invitation could lawfully be made without compliance with any regulatory or legal requirements in those jurisdictions.

(15) The Managers reserve the right to reject any application which does not conform strictly to the instructions or with the terms and conditions set out in this Prospectus (including the instructions set out in the accompanying Application Forms, in the ATMs and IB websites of the relevant Participating Banks and the mobile banking interface ("**mBanking Interface**") of DBS Bank) or, in the case of an application by way of an Application Form, the contents of which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance.

(16) The Managers further reserve the right to treat as invalid any applications not completed or submitted or effected in all respects in accordance with the instructions and terms and conditions set out in this Prospectus (including the instructions set out in the accompanying Application Forms and in the ATMs and IB websites of the relevant Participating Banks and the mBanking Interface of DBS Bank), and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof. Without prejudice to the rights of the Managers, each of the Joint Bookrunners as agents of the Managers, has been authorised to accept, for and on behalf of the Managers, such other forms of application as the Joint Bookrunners may, in consultation with the Managers, deem appropriate.

(17) The Managers reserve the right to reject or to accept, in whole or in part, or to scale down or to ballot, any application, without assigning any reason therefor, and none of the Managers, nor any of the Joint Bookrunners will entertain any enquiry and/or correspondence on the decision of the Managers. This right applies to applications made by way of Application Forms and by way of Electronic Applications and by such other forms of application as the Joint Bookrunners may, in consultation with the Managers, deem appropriate. In deciding the basis of allocation, the Managers, in consultation with the Joint Bookrunners, will give due consideration to the desirability of allocating the Stapled Securities to a reasonable number of applicants with a view to establishing an adequate market for the Stapled Securities.

(18) In the event that the Managers lodge a supplementary or replacement prospectus ("**Relevant Document**") pursuant to the Securities and Futures Act or any applicable legislation in force from time to time prior to the close of the Offering, and the Stapled Securities have not been issued, the Managers will (as required by law) at their sole and absolute discretion either:

(a) within two days (excluding any Saturday, Sunday or public holiday) from the date of the lodgment of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to withdraw your application and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or

(b) within seven days of the lodgment of the Relevant Document, give you a copy of the Relevant Document and provide you with an option to withdraw your application; or

(c) deem your application as withdrawn and cancelled and refund your application monies (without interest or any share of revenue or other benefit arising therefrom) to you within seven days from the lodgment of the Relevant Document.

Any applicant who wishes to exercise his option under paragraphs 18(a) and 18(b) above to withdraw his application shall, within 14 days from the date of lodgment of the Relevant Document, notify the Managers whereupon the Managers shall, within seven days from the receipt of such notification, return all monies in respect of such application (without interest or any share of revenue or other benefit arising therefrom at his own risk).

In the event that the Stapled Securities have already been issued at the time of the lodgment of the Relevant Document but trading has not commenced, the Managers will (as required by law) either:

(i) within two days (excluding any Saturday, Sunday or public holiday) from the date of the lodgment of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to return to the Managers the Stapled Securities which you do not wish to retain title in and take all

reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or

(ii) within seven days from the lodgment of the Relevant Document, give you a copy of the Relevant Document and provide you with an option to return the Stapled Securities which you do not wish to retain title in; or

(iii) deem the issue as void and refund your payment for the Stapled Securities (without interest or any share of revenue or other benefit arising therefrom) within seven days from the lodgment of the Relevant Document.

Any applicant who wishes to exercise his option under paragraphs 18(i) and 18(ii) above to return the Stapled Securities issued to him shall, within 14 days from the date of lodgment of the Relevant Document, notify the Managers of this and return all documents, if any, purporting to be evidence of title of those Stapled Securities, whereupon the Managers shall, within seven days from the receipt of such notification and documents, pay to him all monies paid by him for the Stapled Securities without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the Stapled Securities issued to him shall be deemed to be void.

Additional terms and instructions applicable upon the lodgment of the Relevant Document, including instructions on how you can exercise the option to withdraw, may be found in such Relevant Document.

(19) The Stapled Securities may be reallocated between the Placement Tranche and the Public Offer for any reason, including in the event of excess applications in one and a deficit of applications in the other at the discretion of the Joint Bookrunners, in consultation with the Managers subject to any applicable laws.

(20) There will not be any physical security certificates representing the Stapled Securities. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Offering, and subject to the submission of valid applications and payment for the Stapled Securities, a statement of account stating that your Securities Account has been credited with the number of Stapled Securities allocated to you. This will be the only acknowledgement of application monies received and is not an acknowledgement by the Managers. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renouncee any instrument of transfer and/or other documents required for the issue or transfer of the Stapled Securities allocated to you. This authorisation applies to applications made both by way of Application Forms and by way of Electronic Applications.

(21) You irrevocably authorise CDP to disclose the outcome of your application, including the number of Stapled Securities allocated to you pursuant to your application, to the Managers, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners and any other parties so authorised by CDP, the Managers, the Sole Financial Adviser and Issuer Manager and/or the Joint Bookrunners.

(22) Any reference to “you” or the “Applicant” in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the Stapled Securities by way of an Application Form or by way of Electronic Application or by such other manner as the Joint Bookrunners may, in their absolute discretion, deem appropriate.

(23) By completing and delivering an Application Form and, in the case of: (i) an ATM Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key or any other relevant key on the ATM, (ii) in the case of an Internet Electronic Application, by clicking "Submit" or "Continue" or "Yes" or "Confirm" or any other button on the IB website screen, or (iii) in the case of an mBanking Application, by transmitting "Submit" or "Continue" or "Yes" or "Confirm" or any other icon via the mBanking Interface in accordance with the provisions herein, you:

(a) irrevocably agree and undertake to purchase the number of Stapled Securities specified in your application (or such smaller number for which the application is accepted) at the Offering Price and agree that you will accept such number of Stapled Securities as may be allocated to you, in each case on the terms of, and subject to the conditions set out in, the Prospectus and its accompanying documents (including the Application Forms), as well as the Stapling Deed, the EH-REIT Trust Deed and the EH-BT Trust Deed;

(b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and its accompanying documents (including the Application Form) and those set out in the IB websites, mBanking Interface or ATMs of the relevant Participating Banks, the terms and conditions set out in this Prospectus and its accompanying documents (including the Application Forms) shall prevail;

(c) in the case of an application by way of a Public Offer Stapled Securities Application Form or an Electronic Application, agree that the Offering Price for the Public Offer Stapled Securities applied for is due and payable to the Managers upon application;

(d) in the case of an application by way of a Placement Stapled Securities Application Form or such other forms of application as the Joint Bookrunners may in their absolute discretion deem appropriate, agree that the Offering Price for the Placement Stapled Securities applied for is due and payable to the Managers upon application;

(e) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by the Managers in determining whether to accept your application and/or whether to allocate any Stapled Securities to you;

(f) (i) consent to the collection, use, processing and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, Securities Account number, Stapled Security application amount, the outcome of your application (including the number of Stapled Securities allocated to you pursuant to your application) and other personal data ("**Personal Data**") by the Stapled Security Registrar, CDP, Securities Clearing Computer Services (Pte) Ltd ("**SCCS**"), the SGX-ST, the Participating Banks, the Managers, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners and/or other authorised operators (the "**Relevant Parties**") for the purpose of the processing of your application for the Stapled Securities, and in order for the Relevant Parties to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**") and warrant that such Personal Data is true, accurate and correct, (ii) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Parties, you have obtained the prior consent of such beneficial owner(s) for the collection, use, processing and disclosure by the Relevant Parties of the Personal Data of such beneficial owner(s) for the Purposes, (iii) agree that the Relevant Parties may do anything or disclose any Personal Data or matters without notice to you if the Sole Financial Adviser and Issue Manager and/or the Joint Bookrunners considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body, and (iv) agree that you will

indemnify the Relevant Parties in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Parties shall be entitled to enforce this indemnity (collectively, the "**Personal Data Privacy Terms**");

(g) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of the Managers nor any of the Joint Bookrunners will infringe any such laws as a result of the acceptance of your application;

(h) agree and confirm that you are outside the United States (within the meaning of Regulation S); and

(i) understand that 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 and may not be offered or sold in 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 securities laws. There will be no public offer of the Stapled Securities in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.

(24) Acceptance of applications will be conditional upon, among others, the Managers being satisfied that:

(a) permission has been granted by the SGX-ST to deal in and for the quotation of all of the (i) Stapled Securities comprised in the Offering, (ii) the Sponsor Stapled Securities, (iii) the Cornerstone Stapled Securities and (iv) Stapled Securities which will be issued to the REIT Manager or the Trustee-Manager from time to time in full or in part payment of fees payable to the REIT Manager or the Trustee-Manager;

(b) the Underwriting Agreement, referred to in the section on "Plan of Distribution" in this Prospectus, has become unconditional and has not been terminated; and

(c) the Authority has not served a stop order which directs that no or no further Stapled Securities to which this Prospectus relates be allotted or issued ("**Stop Order**"). The Securities and Futures Act provides that the Authority shall not serve a Stop Order if all the Stapled Securities have been issued, sold, and listed for quotation on the SGX-ST and trading in them has commenced.

(25) In the event that a Stop Order in respect of the Stapled Securities is served by the Authority or other competent authority, and:

(a) the Stapled Securities have not been issued (as required by law), all applications shall be deemed to be withdrawn and cancelled and the Managers shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the Stop Order; or

(b) if the Stapled Securities have already been issued but trading has not commenced, the issue will (as required by law) be deemed void and the Managers shall refund your payment for the Stapled Securities (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days from the date of the Stop Order.

This shall not apply where only an interim Stop Order has been served.

(26) In the event that an interim Stop Order in respect of the Stapled Securities is served by the Authority or other competent authority, no Stapled Securities shall be issued to you until the Authority revokes the interim Stop Order. The Authority is not able to serve a Stop Order in respect of the Stapled Securities if the Stapled Securities have been issued and listed on the SGX-ST and trading in them has commenced.

(27) Additional terms and conditions for applications by way of Application Forms are set out in the section "Additional Terms and Conditions for Applications using Printed Application Forms" on pages G-8 to G-12 of this Prospectus.

(28) Additional terms and conditions for applications by way of Electronic Applications are set out in the section "Additional Terms and Conditions for Electronic Applications" on pages G-12 to G-23 of this Prospectus.

(29) All payments in respect of any application for Public Offer Stapled Securities, and all refunds where (a) an application is rejected or accepted in part only or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.

(30) All payments in respect of any application for Placement Stapled Securities, and all refunds where (a) an application is rejected or accepted in part only or (b) the Offering does not proceed for any reason, shall be made in United States dollars.

(31) All refunds where (a) an application is rejected or accepted in part only or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars (in the case of Public Offer Stapled Securities) and in United States dollars (in the case of Placement Stapled Securities).

(32) No application will be held in reserve.

(33) This Prospectus is dated 16 May 2019. No Stapled Securities shall be allotted or allocated on the basis of this Prospectus later than six months after the date of this Prospectus.

Additional Terms and Conditions for Applications using Printed Application Forms

Applications by way of an Application Form shall be made on, and subject to the terms and conditions of this Prospectus, including but not limited to the terms and conditions set out below, as well as those set out under the section entitled "Terms, Conditions and Procedures for Application for and Acceptance of the Stapled Securities in Singapore" on pages G-1 to G-23 of this Prospectus, as well as the Stapling Deed, the EH-REIT Trust Deed and the EH-BT Trust Deed.

(1) Applications for the Public Offer Stapled Securities must be made using the printed **WHITE** Public Offer Stapled Securities Application Forms and printed **WHITE** official envelopes "A" and "B", accompanying and forming part of this Prospectus.

    Applications for the Placement Stapled Securities must be made using the printed BLUE Placement Stapled Securities Application Forms (or in such manner as the Joint Bookrunners may in their absolute discretion deem appropriate), accompanying and forming part of this Prospectus.

    Without prejudice to the rights of the Managers and the Joint Bookrunners, the Joint Bookrunners, as agents of the Managers, have been authorised to accept, for and on behalf of the Managers, such other forms of application, as the Joint Bookrunners may (in consultation with the Managers) deem appropriate.

Your attention is drawn to the detailed instructions contained in the Application Forms and this Prospectus for the completion of the Application Forms, which must be carefully followed. **The Managers reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus (or, in the case of applications for the Placement Stapled Securities, followed) which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances.**

(2) You must complete your Application Forms in English. Please type or write clearly in ink using **BLOCK LETTERS**.

(3) You must complete all spaces in your Application Forms except those under the heading "**FOR OFFICIAL USE ONLY**" and you must write the words "**NOT APPLICABLE**" or "**N.A.**" in any space that is not applicable.

(4) Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears on your NRIC (if you have such an identification document) or in your passport and, in the case of a corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your common seal (if any) in accordance with your Constitution or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Constitution or equivalent constitutive documents must be lodged with EHT's Stapled Security Registrar. The Managers reserve the right to require you to produce documentary proof of identification for verification purposes.

(5) (a) You must complete Sections A and B and sign page 1 of the Application Form.

(b) You are required to delete either paragraph 7(c) or 7(d) on page 1 of the Application Form. Where paragraph 7(c) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).

(c) If you fail to make the required declaration in paragraph 7(c) or 7(d), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.

(6) You (whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporation. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Stapled Securities is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporation.

(7) You may apply and make payment for your application for the Public Offer Stapled Securities in Singapore currency and for the Placement Stapled Securities in United States currency using only cash. Each application must be accompanied by a cash remittance in Singapore or United States currency for the full amount payable in Singapore dollars (in the case of the Public Offer Stapled Securities such amount being S$1.071 based on the exchange rate of

US$1.00 to approximately S$1.3731, as determined by the Managers in consultation with DBS Bank Ltd.) or United States dollars (in the case of the Placement Stapled Securities) of the Offering Price per Stapled Security, in respect of the number of Stapled Securities applied for. The remittance must be in the form of a **BANKER'S DRAFT or CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**EAGLE HT SGD ISSUE ACCOUNT (for Singapore dollars) and EAGLE HT USD ISSUE ACCOUNT (for United States currency)**" crossed "**A/C PAYEE ONLY**" with your name, CDP Securities Account number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. No combined Banker's Draft or Cashier's Order for different CDP Securities Accounts shall be accepted. Remittances bearing "**NOT TRANSFERABLE**" or "**NON-TRANSFERABLE**" crossings will be rejected. No acknowledgement of receipt will be issued for applications and application monies received.

(8) Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post, in the event of oversubscription for the Stapled Securities, within 24 hours of the balloting (or such shorter period as the SGX-ST may require), at your own risk. Where your application is rejected or accepted or in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Offering, PROVIDED THAT the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies received in the designated Stapled Security issue account. If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to you within three Market Days after the Offering is discontinued.

(9) Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.

(10) By completing and delivering the Application Forms, you agree that:

(a) in consideration of the Managers having distributed the Application Form to you and by completing and delivering the Application Form before the close of the Offering:

(i) your application is irrevocable;

(ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom; and

(iii) you represent and agree that you are located outside the United States and are not a US Person (within the meaning of Regulation S);

(b) all applications, acceptances or contracts resulting therefrom under the Offering shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

(c) in respect of the Stapled Securities for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification by or on behalf of the Managers and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of the Managers;

(d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

(e) reliance is placed solely on information contained in this Prospectus and that none of the Managers, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners or any other person involved in the Offering shall have any liability for any information not contained therein;

(f) you accept and agree to the Personal Data Privacy Terms set out in this Prospectus; and

(g) you irrevocably agree and undertake to purchase the number of Stapled Securities applied for as stated in the Application Form or any smaller number of such Stapled Securities that may be allocated to you in respect of your application. In the event that the Managers decide to allocate any smaller number of Stapled Securities or not to allocate any Stapled Securities to you, you agree to accept such decision as final.

Procedures Relating to Applications for the Public Offer Stapled Securities by Way of Printed Application Forms

(1) Your application for the Public Offer Stapled Securities by way of printed Application Forms must be made using the **WHITE** Public Offer Stapled Securities Application Forms and **WHITE** official envelopes "**A**" and "**B**".

(2) You must:

(a) enclose the **WHITE** Public Offer Stapled Securities Application Form, duly completed and signed, together with correct remittance for the full amount payable at the Offering Price in Singapore currency in accordance with the terms and conditions of this Prospectus and its accompanying documents, in the **WHITE** official envelope "**A**" provided;

(i) write your name and address;

(ii) state the number of Public Offer Stapled Securities applied for; and

(iii) tick the relevant box to indicate form of payment;

(b) **SEAL THE WHITE OFFICIAL ENVELOPE "A"**;

(c) write, in the special box provided on the larger **WHITE** official envelope "**B**" addressed to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, the number of Public Offer Stapled Securities you have applied for;

(d) insert the **WHITE** official envelope "**A**" into the **WHITE** official envelope "**B**" and seal the **WHITE OFFICIAL ENVELOPE** "**B**"; and

(e) affix adequate Singapore postage on the **WHITE** official envelope "**B**" (if dispatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND** the documents at your own risk to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, so as to arrive by 12.00 noon on 22 May 2019 or such other date(s) and time(s) as the Managers may agree with the Joint Bookrunners. **Courier services or Registered Post must NOT be used.**

(3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected. Except for applications for the Placement Stapled Securities where remittance is permitted to be submitted separately, applications for the Public Offer Stapled Securities not accompanied by any payment or any other form of payment will not be accepted.

(4) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Procedures Relating to Applications for the Placement Stapled Securities by Way of Printed Application Forms

(1) Your application for the Placement Stapled Securities by way of printed Application Forms must be made using the **BLUE** Placement Stapled Securities Application Forms.

(2) The completed and signed BLUE Placement Stapled Securities Application Form and your remittance, in accordance with the terms and conditions of this Prospectus, for the full amount payable at the Offering Price, as the case may be, for each Stapled Security in respect of the number of Placement Stapled Securities applied for, with your name, CDP Securities Account number and address clearly written on the reverse side, must be enclosed and sealed in an envelope to be provided by you. Your application for Placement Stapled Securities must be delivered to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, to arrive by 12.00 noon on 22 May 2019 or such other date(s) and time(s) as the Managers may agree with the Joint Bookrunners. **Courier services or Registered Post must NOT be used.**

(3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected.

(4) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Additional Terms and Conditions for Electronic Applications

Electronic Applications shall be made on and subject to the terms and conditions of this Prospectus, including but not limited to the terms and conditions set out below and those under the section "Terms, Conditions and Procedures for Application for and Acceptance of the Stapled Securities in Singapore" on pages G-1 to G-23 of this Prospectus, as well as the Stapling Deed, the EH-REIT Trust Deed and the EH-BT Trust Deed.

(1) The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks (in the case of ATM Electronic Applications), the IB website screens of the relevant Participating Banks (in the case of Internet Electronic Applications) and the mBanking Interface of DBS Bank (in the case of mBanking Applications). DBS Bank is the only Participating Bank through which mBanking Applications may be made.

(2) For illustrative purposes, the procedures for Electronic Applications for Public Offer Stapled Securities through ATMs, the IB website and the mBanking Interface of DBS Bank (together the "**Steps**") are set out in pages G-18 to G-23 of this Prospectus. The Steps set out the actions that you must take at ATMs, the IB website or the mBanking Interface of DBS Bank to complete an Electronic Application. The actions that you must take at the ATMs or the IB websites of the other Participating Banks are set out on the ATM screens, the IB website screens of the respective Participating Banks. Please read carefully the terms and conditions

of this Prospectus and its accompanying documents (including the Application Form), the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.

(3) Any reference to "you" or the "Applicant" in these Additional Terms and Conditions for Electronic Applications and the Steps shall refer to you making an application for Public Offer Stapled Securities through an ATM of one of the relevant Participating Banks, the IB website of a relevant Participating Bank or the mBanking Interface of DBS Bank.

(4) If you are making an ATM Electronic Application:

(a) You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks. An ATM card issued by one Participating Bank cannot be used to apply for Public Offer Stapled Securities at an ATM belonging to other Participating Banks.

(b) You must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own CDP Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. Using your own CDP Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.

(c) Upon the completion of your ATM Electronic Application, you will receive an ATM transaction slip ("**Transaction Record**"), confirming the details of your ATM Electronic Application. The Transaction Record is for your retention and should not be submitted with any printed Application Form.

(5) If you are making an Internet Electronic Application or an mBanking Application:

(a) You must have an existing bank account with, and a User Identification ("**User ID**") as well as a Personal Identification Number ("**PIN**") given by, the relevant Participating Bank.

(b) You must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore. Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time you make the application.

(c) Upon the completion of your Internet Electronic Application through the IB website of the relevant Participating Bank or your mBanking Application through the mBanking Interface of DBS Bank, there will be an on-screen confirmation ("**Confirmation Screen**") of the application which can be printed out or screen captured by you for your record. This printed record or screen capture of the Confirmation Screen is for your retention and should not be submitted with any printed Application Form.

(6) In connection with your Electronic Application for Public Offer Stapled Securities, you are required to confirm statements to the following effect in the course of activating the Electronic Application:

(a) that you have received a copy of the Prospectus (in the case of Electronic Applications) and have read, understood and agreed to all the terms and conditions of application for

the Public Offer Stapled Securities and the Prospectus prior to effecting the Electronic Application and agree to be bound by the same;

(b) you accept and agree to the Personal Data Privacy Terms set out in this Prospectus; and

(c) where you are applying for the Public Offer Stapled Securities, that this is your only application for the Public Offer Stapled Securities and it is made in your name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key in the ATM or click "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the IB website screen or the mBanking Interface. By doing so, you shall be treated as signifying your confirmation of each of the statements above. In respect of statement 6(b) above, your confirmation, by pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key in the ATM or clicking "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore, including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars of your account(s) with that Participating Bank to the Relevant Parties.

By making an Electronic Application you confirm that you are not applying for the Public Offer Stapled Securities as a nominee of any other person and that any Electronic Application that you make is the only application made by you as the beneficial owner. You shall make only one Electronic Application for the Public Offer Stapled Securities and shall not make any other application for the Public Offer Stapled Securities whether at the ATMs of any Participating Bank, the IB websites of the relevant Participating Banks or the mBanking Interface of DBS Bank or on the Application Forms. Where you have made an application for the Public Offer Stapled Securities on an Application Form, you shall not make an Electronic Application for the Public Offer Stapled Securities and vice versa.

(7) You must have sufficient funds in your bank account with your Participating Bank at the time you make your ATM Electronic Application, Internet Electronic Application or mBanking Application, failing which such Electronic Application will not be completed. Any Electronic Application which does not conform strictly to the instructions set out in this Prospectus or on the screens of the ATMs or on the IB website of the relevant Participating Bank or the mBanking Interface of DBS Bank, as the case may be, through which your Electronic Application is being made shall be rejected.

(8) You may apply and make payment for your application for the Public Offer Stapled Securities in Singapore currency through any ATM or IB website of your Participating Bank or the mBanking Interface of DBS Bank (as the case may be) by authorising your Participating Bank to deduct the full amount payable from your bank account(s) with such Participating Bank.

(9) You irrevocably agree and undertake to subscribe for and to accept the number of Public Offer Stapled Securities applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of such Public Offer Stapled Securities that may be allocated to you in respect of your Electronic Application. In the event that the Managers decide to allocate any lesser number of such Public Offer Stapled Securities or not to allocate any Public Offer Stapled Securities to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key in the ATM or clicking "Confirm" or

"OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the IB website screen or the mBanking Interface of DBS Bank) of the number of Public Offer Stapled Securities applied for shall signify and shall be treated as your acceptance of the number of Public Offer Stapled Securities that may be allocated to you and your agreement to be bound by the Stapling Deed, the EH-REIT Trust Deed and the EH-BT Trust Deed.

(10) The Managers will not keep any application in reserve. Where your Electronic Application is unsuccessful, the full amount of the application monies will be returned (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank, within 24 hours of the balloting (or such shorter period as the SGX-ST may require) provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated Stapled Security issue account.

Where your Electronic Application is accepted or rejected in full or in part only, the balance of the application monies, as the case may be, will be returned (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank, within 14 Market Days after the close of the Offering provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated Stapled Security issue account.

If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to you within three Market Days after the Offering is discontinued.

Responsibility for timely refund of application monies (whether from unsuccessful or partially successful Electronic Applications or otherwise) lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any money to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Public Offer Stapled Securities, if any, allocated to you before trading the Stapled Securities on the SGX-ST. None of the SGX-ST, CDP, SCCS, the Participating Banks, the Managers, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

(11) If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Bank.

(12) Applicants who make ATM Electronic Applications through the ATMs of the following Participating Banks may check the provisional results of their ATM Electronic Applications as follows:

Bank	Telephone	Other Channels	Operating Hours	Service expected from
DBS Bank Ltd. (including POSB) ("**DBS Bank**")	1800 339 6666 (for POSB account holders) 1800 111 1111 (for DBS account holders	IB http://www.dbs.com(1)	24 hours a day	Evening of the balloting day
Oversea-Chinese Banking Corporation Limited ("**OCBC**")	1800 363 3333	Phone Banking/ATM/IB http://www.ocbc.com(2)	24 hours a day	Evening of the balloting day
United Overseas Bank Limited ("**UOB**")	1800 222 2121	ATM (Other Transactions "IPO Results Enquiry")/ Phone Banking/IB http://www.uobgroup.com(3)	24 hours a day	Evening of the balloting day

Notes:

(1) Applicants who have made Internet Electronic Applications through the IB websites of DBS Bank or mBanking Applications through the mBanking Interface of DBS Bank may also check the results of their applications through the same channels listed in the table above in relation to ATM Electronic Applications made at the ATMs of DBS Bank.

(2) Applicants who have made Electronic Application through the ATMs of OCBC may check the results of their applications through OCBC Personal Internet Banking, OCBC ATMs or OCBC Phone Banking services.

(3) Applicants who have made Electronic Application through the ATMs or the IB website of UOB may check the results of their applications through UOB Personal Internet Banking, UOB ATMs or UOB Phone Banking services.

(13) ATM Electronic Applications shall close at 12.00 noon on 22 May 2019 or such other date(s) and time(s) as the Managers may agree with the Joint Bookrunners. All Internet Electronic Applications and mBanking Applications must be received by 12.00 noon on 22 May 2019, or such other date(s) and time(s) as the Managers may agree with the Joint Bookrunners. Internet Electronic Applications and mBanking Applications are deemed to be received when they enter the designated information system of the relevant Participating Bank.

(14) You are deemed to have irrevocably requested and authorised the Managers to:

(a) register the Public Offer Stapled Securities allocated to you in the name of CDP for deposit into your Securities Account;

(b) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application monies, should your Electronic Application be rejected or if the Offering does not proceed for any reason, by automatically crediting your bank account with your Participating Bank, with the relevant amount within 24 hours after balloting (or such shorter period as the SGX-ST may require), or within three Market Days if the Offering does not proceed for any reason, after the close or discontinuation (as the case may be) of the Offering, PROVIDED THAT the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated Stapled Security issue account; and

(c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should your Electronic Application be

rejected or accepted in part only, by automatically crediting your bank account with your Participating Bank, at your risk, with the relevant amount within 14 Market Days after the close of the Offering, PROVIDED THAT the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated Stapled Security issue account.

(15) You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdown, fires, acts of God and other events beyond the control of the Participating Banks, the Managers, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners, and if, in any such event the Managers, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners, and/or the relevant Participating Bank do not receive your Electronic Application, or any data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against the Managers, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners and/or the relevant Participating Bank for any Public Offer Stapled Securities applied for or for any compensation, loss or damage.

(16) The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. The Managers shall reject any application by any person acting as nominee (other than approved nominee companies).

(17) All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you must promptly notify your Participating Bank.

(18) You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allocation will be sent to your address last registered with CDP.

(19) By making and completing an Electronic Application, you are deemed to have agreed that:

(a) in consideration of the Managers making available the Electronic Application facility, through the Participating Banks acting as agents of the Managers, at the ATMs and IB websites of the relevant Participating Banks and the mBanking Interface of DBS Bank:

(i) your Electronic Application is irrevocable;

(ii) your Electronic Application, the acceptance by the Managers and the contract resulting therefrom under the Public Offer shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts; and

(iii) you represent and agree that you are not located in the United States (within the meaning of Regulation S);

(b) none of CDP, the Managers, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners and the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating

to your Electronic Application to the Managers, or CDP or the SGX-ST due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 15 above or to any cause beyond their respective controls;

(c) in respect of the Public Offer Stapled Securities for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of the Managers and not otherwise, notwithstanding any payment received by or on behalf of the Managers;

(d) you will not be entitled to exercise any remedy for rescission for misrepresentation at any time after acceptance of your application;

(e) reliance is placed solely on information contained in this Prospectus and that none of the Managers, the Sponsor, the Sole Financial Adviser and Issue Manager, the Joint Bookrunners or any other person involved in the Offering shall have any liability for any information not contained therein; and

(f) you irrevocably agree and undertake to subscribe for the number of Public Offer Stapled Securities applied for as stated in your Electronic Application or any smaller number of such Public Offer Stapled Securities that may be allocated to you in respect of your Electronic Application. In the event the Managers decide to allocate any smaller number of such Public Offer Stapled Securities or not to allocate any Public Offer Stapled Securities to you, you agree to accept such decision as final.

ATM Electronic Application through the ATMs of DBS Bank (including POSB)

Certain words appearing on the screen are in abbreviated form ("A/C", "amt", "appln", "CDP", "&", "Max.", "SGX", "No." and "PIN" refer to "Account", "amount", "application", "The Central Depository (Pte) Limited", "Central Provident Fund", "and", "Maximum", "SGX-ST", "Number" and "Personal Identification Number" respectively).

Steps

Step 1: Insert your personal DBS Bank or POSB ATM Card.

2: Enter your Personal Identification Number.

3: Select "MORE SERVICES".

4: Select language (for customers using multi-language card).

5: Select "ESA IPO/RIGHTS APPLN/BONDS/SGS/INVESTMENTS".[1]

6: Select "ELECTRONIC SECURITY APPLN (IPOS/BOND/SECURITIES)".

7: Read and understand the following statements which will appear on the screen:

- (IN THE CASE OF A SECURITIES OFFERING THAT REQUIRES A PROSPECTUS/OFFER INFORMATION STATEMENT/PROFILE STATEMENT/ SIMPLIFIED DISCLOSURE DOCUMENT AND/OR PRODUCT HIGHLIGHTS SHEET TO BE LODGED WITH AND/OR REGISTERED BY, THE MONETARY AUTHORITY OF SINGAPORE OR, AS THE CASE MAY BE, THE RELEVANT SECURITIES EXCHANGE AND/OR TO BE ANNOUNCED OR DISSEMINATED

1 This service is not available in the Malay language.

TO THE SECURITIES MARKET OPERATED BY THE RELEVANT SECURITIES EXCHANGE) THE OFFER OF SECURITIES WILL BE MADE IN OR ACCOMPANIED BY A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/PROFILE STATEMENT/SIMPLIFIED DISCLOSURE DOCUMENT AND/OR PRODUCT HIGHLIGHTS SHEET (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) WHICH CAN BE OBTAINED DIRECTLY FROM OUR INTERNET BANKING WEBSITE, THE ISSUE MANAGER(S)/MANAGER(S) FOR THE OFFER, OR IF APPLICABLE, DBS/POSB BRANCHES IN SINGAPORE AND THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY.

- A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/PROFILE STATEMENT/SIMPLIFIED DISCLOSURE DOCUMENT AND/OR PRODUCT HIGHLIGHTS SHEET (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) HAS BEEN LODGED WITH/AND OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR, AS THE CASE MAY BE, THE RELEVANT SECURITIES EXCHANGE AND IS MADE AVAILABLE ON OUR INTERNET BANKING WEBSITE (IF APPLICABLE) AS ANNOUNCED OR DISSEMINATED TO THE SECURITIES MARKET OPERATED BY THE RELEVANT SECURITIES EXCHANGE AND NEITHER THE MONETARY AUTHORITY OF SINGAPORE NOR THE RELEVANT SECURITIES EXCHANGE TAKES ANY RESPONSIBILITY FOR ANY OF THE CONTENTS CONTAINED IN THESE DOCUMENTS.

- (IN THE CASE OF A SECURITIES OFFERING THAT DOES NOT REQUIRE A PROSPECTUS/OFFER INFORMATION STATEMENT/PROFILE STATEMENT/ SIMPLIFIED DISCLOSURE DOCUMENT AND/OR PRODUCT HIGHLIGHTS SHEET TO BE LODGED WITH AND/OR REGISTERED BY, THE MONETARY AUTHORITY OF SINGAPORE OR, AS THE CASE MAY BE, THE RELEVANT SECURITIES EXCHANGE AND/OR TO BE ANNOUNCED OR DISSEMINATED TO THE SECURITIES MARKET OPERATED BY THE RELEVANT SECURITIES EXCHANGE), THE OFFER OF SECURITIES MAY BE MADE IN A NOTICE PUBLISHED IN A NEWSPAPER AND/OR CIRCULAR/DOCUMENT DISTRIBUTED TO SECURITY HOLDERS. ANYONE WISHING TO ACQUIRE SUCH SECURITIES SHOULD READ THE NOTICE/CIRCULAR/DOCUMENT BEFORE SUBMITTING HIS/HER APPLICATION IN THE MANNER SET FORTH THEREIN. ALL INVESTMENTS IN SECURITIES CARRIES RISKS AND BY AGREEING TO SUBSCRIBE FOR THESE SECURITIES, YOU UNDERSTAND AND ACKNOWLEDGE THAT YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT DECISION AND ARE WILLING TO ASSUME ALL THE RISKS ASSOCIATED WITH INVESTING IN SUCH SECURITIES, INCLUDING THE RISK THAT YOU MAY LOSE ALL OR PART OF YOUR INVESTMENT. YOU SHOULD READ THE APPLICABLE DOCUMENTS AS LISTED ABOVE BEFORE SUBMITTING YOUR APPLICATION IN THE MANNER SET FORTH THEREIN.

  (Press “ENTER” to continue)

- Select “EAGLEHT”.

  (Press button to continue)

- FOR SECURITY APPLNS, THE PROSPECTUS AND PRODUCT HIGHLIGHTS SHEET ARE AVAILABLE AT SELECTED DBS/POSB BRANCHES, WHERE AVAILABLE.

  (Press “ENTER” to continue)

8: Press the “ENTER” key to acknowledge:

PLEASE CONFIRM ALL THE FOLLOWING:

FOR THE PURPOSES OF FACILITATING YOUR APPLICATION, YOU CONSENT TO THE BANK COLLECTING AND USING YOUR NAME, NRIC/PASSPORT NUMBER, ADDRESS, NATIONALITY, CDP SECURITIES ACCOUNT NUMBER, APPLICATION DETAILS AND OTHER PERSONAL DATA AND DISCLOSING THE SAME FROM OUR RECORDS TO REGISTRARS OF SECURITIES OF THE ISSUER, SGX, CDP, ISSUER/VENDOR(S) AND ISSUE MANAGER(S).

THIS APPLICATION IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.

- FOR FIXED AND MAXIMUM PRICE SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AND IS MADE IN YOUR OWN NAME.

  THE MAXIMUM PRICE FOR EACH SECURITY IS PAYABLE IN FULL ON APPLICATION AND SUBJECT TO REFUND IF THE FINAL PRICE IS LOWER.

  FOR TENDER PRICE SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AT THE SELECTED TENDER PRICE AND IS MADE IN YOUR OWN NAME.

  YOU ARE NOT A US PERSON AS REFERRED TO IN (WHERE APPLICABLE) THE PROSPECTUS/OFFER INFORMATION STATEMENT/PROFILE STATEMENT/SIMPLIFIED DISCLOSURE DOCUMENT/PRODUCT HIGHLIGHTS SHEET, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/PROFILE STATEMENT/SIMPLIFIED DISCLOSURE DOCUMENT AND/OR NOTICE/CIRCULAR.

  THERE MAY BE A LIMIT ON THE MAXIMUM NUMBER OF SECURITIES THAT YOU CAN APPLY FOR. SUBJECT TO AVAILABILITY, YOU MAY BE ALLOTTED/ALLOCATED A SMALLER NUMBER OF SECURITIES THAN YOU APPLIED FOR.

9: Select your nationality.

10: Select your payment method.

11: Please select the DBS Bank account (Autosave/Current/Savings/Savings Plus) or the POSB account (Current/Savings) from which to debit your application moneys. Enter the number of securities you wish to apply for using cash.

(Press “ENTER” to continue)

12: Enter or confirm (if your CDP Securities Account number has already been stored in DBS Bank’s records) your own 12-digit CDP Securities Account number (Note: This step will be omitted automatically if your Securities Account Number has already been stored in DBS Bank’s records).

(Press “ENTER” to continue)

13: Check the details of your securities application, your CDP Securities Account number, the principal amount of Bonds applied and application amount on the screen and press the “ENTER” key to confirm your application.

14: Remove the ATM Transaction Record for your reference and retention only

Internet Electronic Application through the IB website of DBS Bank

Certain words appearing on the screen are in abbreviated form ("A/C", "&", "amt", "CDP", "SGX", "No." and "PIN" refer to "Account", "and", "Amount", "The Central Depository (Pte) Limited", "Central Provident Fund", "SGX-ST", "Number" and "Personal Identification Number" respectively).

Steps

Step 1: Click on DBS Bank website https://www.dbs.com.

2: Login to Internet banking.

3: Enter your User ID and PIN.

4: Enter your DBS IB Secure PIN.

5: Under "Invest" on the top navigation, select "Electronic Securities Application (ESA)".

6: Click "Yes" to represent and warrant, among others, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations, that your mailing address for DBS Internet Banking is in Singapore and that you are not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended). Click "Next" to proceed.

7: Select your country of residence and click "Next".

8: Select "EAGLEHT" and click "Next".

9: **Important**

The information provided herein is for general circulation only. It does not form part of any offer or recommendation, and does not have any regard to the investment objectives, financial situation or particular needs of any person. Before committing to an investment, please seek advice from a financial adviser regarding the suitability of the product.

If you do not wish to seek financial advice, by continuing the application, you confirm that you have independently assessed that this product is suitable for you. You have not relied on any previous advice or recommendation given by DBS Bank in making your investment decision and you accept that should you wish to proceed with the transaction, you will not be able to rely on Section 27 of the Financial Advisers Act (Cap 110) to file any civil claim against DBS Bank.

Before you proceed, you are advised to read the Important Terms in the Prospectus/ Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet and in respect of the Securities you are intending to apply for. Click here to read.

Click on logo to read or download Prospectus/Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet.

Agreement

Click on "Next" to confirm, among others, that you confirm the following:

- all investment in securities carries risks and by agreeing to subscribe for these securities, you understand and acknowledge that you are responsible for your own investment decision and are willing to assume all the risks associated with investing in such securities, including the risk that you may lose all or part of your investment.

- have read, understood and agree to all terms of application set out in the Prospectus/Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet and if applicable, the Supplementary or Replacement Prospectus/Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet.

- for the purposes of facilitating your application, consent to the Bank collecting and using your name, NRIC/passport number, address, nationality, CDP securities account number, application details and other personal data and disclosing the same from the Bank's records to registrars of securities of the issuer, SGX, CDP, issuer/vendor(s) and issue manager(s).

- you are not a U.S. Person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) (the "U.S. Securities Act").

- the securities mentioned herein have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state security laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.

- that this application is made in your own name subject to the conditions on securities application.

10: Click on "here" to read the following:

- **Apply for ESA**

  The offer of securities on our website will, where applicable, be made in, or accompanied by, a copy of the Prospectus/Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet and, if applicable, a copy of the Replacement or Supplementary Prospectus/Simplified Disclosure Document/ Profile Statement and/or Product Highlights Sheet.

  You are advised to read the Prospectus/Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet (as supplemented or replaced, if applicable) carefully before acquiring these securities. Investing in securities involves risks. Prospective investors should read the Prospectus/Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet (as supplemented or replaced, if applicable) in its entirety and, in particular, the section relating to risk factors and/or investment considerations. Words and

expressions not defined herein have the same meaning as in the main body of the Prospectus/Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet (as supplemented or replaced, if applicable), unless the context requires otherwise.

You may obtain a copy of the Prospectus/Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet (as supplemented or replaced, if applicable) directly from our website, the issue manager/manager and where applicable DBS/POSB branches in Singapore and the various participating banks during banking hours, subject to availability.

Where applicable, a copy of the Prospectus/Simplified Disclosure Document/ Profile Statement and/or Product Highlights Sheet (as supplemented or replaced, if applicable) has been lodged with and/or registered by the Monetary Authority of Singapore or, as the case may be, the relevant securities exchange and is made available on our website as announced (if applicable) or disseminated to the securities market operated by the relevant securities exchange and neither the Monetary Authority of Singapore nor the relevant securities exchange takes any responsibility for any of the contents contained in these documents.

By downloading a copy of the Prospectus/Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet (as supplemented or replaced, if applicable), you agree not to copy, forward or otherwise distribute the Prospectus/ Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet (as supplemented or replaced, if applicable) to any other person and not to use the information contained in the Prospectus/Simplified Disclosure Document/ Profile Statement and/or Product Highlights Sheet (as supplemented or replaced, if applicable) for any purpose other than to evaluate an investment in the subject security.

No representation or warranty, express or implied, is made by us as to the accuracy or completeness of any of the information contained in the Prospectus/ Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet (as supplemented or replaced, if applicable) listed on our website. Any information falling outside the demarcated areas of the electronic Prospectus/ Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet (as supplemented or replaced, if applicable) does not form part of the Prospectus/Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet (as supplemented or replaced, if applicable). The security offered herein is offered on the basis of the information in the electronic Prospectus/ Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet (as supplemented or replaced, if applicable) set out within the demarcated areas.

The securities mentioned herein have not been approved for offer, subscription, sale or purchase by any authority outside Singapore and are intended to be available only to residents of Singapore. The information contained herein is not intended to and does not constitute a distribution, an offer to sell or the solicitation of any offer to buy any securities in any jurisdiction in which such distribution or offer is not authorised to any person. There are restrictions on the offer and sale of securities in certain jurisdictions including Canada, Hong Kong, Japan, United Kingdom and the United States of America. The materials included in the following pages are not an offer of securities for sale in any jurisdictions other than Singapore.

The information herein or any copy thereof, is not to be published or distributed, directly or indirectly, in or into the United States of America. The securities mentioned herein have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the "U.S. Securities Act") or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state security laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of United States securities laws.

You are required to observe and comply with all applicable laws and regulations of your jurisdiction when accessing the information contained herein. If you are in any doubt as to the applicable laws and regulations or the action you should take, you must consult your professional advisers immediately.

11: Click on "U.S. person" to read the following:

- "U.S. Person" means:
  - any natural person resident in the United States;
  - any partnership or corporation organised or incorporated under the laws of the United States;
  - any estate of which any executor or administrator is a U.S. person;
  - any trust of which any trustee is a U.S. person;
  - any agency or branch of a foreign entity located in the United States;
  - any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
  - any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
  - any partnership of corporation if:
    a. organised or incorporated under the laws of any foreign jurisdiction; and
    b. formed by a U.S. person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the United States Securities Act of 1933) who are not natural persons, estates or trusts.

12: Click on "conditions on securities application" to read the following:

- For **FIXED/MAXIMUM** price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.

- For **FOREIGN CURRENCY** securities, subject to the terms of the issue, please note the following:

  - The application monies will be debited from your bank account in S$, based on the Bank's prevailing board rates at time of application. Any refund monies will be credited in S$ based on the Bank's prevailing board rates at the time of refund. The different prevailing board rates at the time of application and at the time of refund of application monies may result in either a foreign exchange profit or loss. Alternatively, application monies may be debited and refunds credited in S$ at the same exchange rate.

  - For 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to availability at the point of application.

13: Input details for the securities application, and click "Next".

14: Verify the details of your securities application and click "Confirm" to confirm your application.

15: You may print a copy of the IB Confirmation Screen for your reference and retention.

Steps for mBanking Application through the mBanking Interface of DBS Bank

For illustrative purposes, the steps for making an mBanking Application through the mBanking Interface of DBS Bank are shown below.

Certain words appearing on the screen are in abbreviated form ("A/c", "amt", "&", "I/C", "SGX" and "No." refer to "Account", "amount", "and", "NRIC", "SGX-ST" and "Number" respectively).

Steps

1. Click on DBS Bank mBanking application and login using your User ID and PIN.

2. Select "Invest".

3. Select "Electronic Securities Application (ESA)".

4. Select "Yes" to proceed and to warrant, among others, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS Bank Internet Banking is in Singapore and that you are not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933, as amended).

5. Select your country of residence and click "Next".

6. Select "EAGLEHT" and payment method and click "Next".

7. Click "I agree" to confirm, among others:

   - All investment in securities carries risks and by agreeing to subscribe for these securities, you understand and acknowledge that you are responsible for your own investment decision and are willing to assume all the risks associated with investing in such securities, including the risk that you may lose all or part of your investment.

- You have read, understood and agreed to all terms of application set out in the Prospectus/Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet and if applicable, the Supplementary or Replacement Prospectus/ Simplified Disclosure Document/Profile Statement and/or Product Highlights Sheet.

- For the purposes of facilitating your application, you consent to the Bank collecting and using your name, NRIC/passport number, address, nationality, Securities Account number, CPF Investment Account number, application details and other personal data and disclosing the same from the Bank's records to registrars of securities of the issuer, SGX, CDP, CPF, issuer/vendor(s) and issue manager(s).

- You are not a U.S. person (as such term is defined in Regulation S under the Securities Act).

- You understand that the securities mentioned herein have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of any "U.S. person" (as defined in Regulation S under the Securities Act) except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

- There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.

- This application will be made in your own name.

- For FIXED/MAXIMUM price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.

- FOR FOREIGN CURRENCY Securities, subject to the terms of the issue, please note the following: the application monies will be debited from your bank account in S$, based on the Bank's prevailing board rates at the time of application. Any refund monies will be credited in S$ based on the Bank's prevailing board rates at the time of refund. The different prevailing board rates at the time of application and at the time of refund of application monies may result in either a foreign exchange profit or loss. Alternatively, application monies may be debited and refund credited in S$ at the same exchange rate.

- FOR 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to availability at the point of application.

8. Fill in details for securities application and click "Next".

9. Check the details of your securities application, your CDP Securities Account number and click "Confirm" to confirm your application.

10. Where applicable, capture Confirmation Screen (optional) for your reference and retention only.

LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIPS OF DIRECTORS AND EXECUTIVE OFFICERS OF THE MANAGERS

The principal present directorships, other than those held in the Managers, and the principal past directorships in the last five years of each of the directors and executive officers (named in "Management and Corporate Governance") of the Managers are as follows:

(A) Directors of the Managers

(1) Howard Wu

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Eagle Hospitality REIT Management Pte. Ltd.	Nil
Eagle Hospitality Business Trust Management Pte. Ltd.	
Eagle Hospitality Trust S1 Pte. Ltd.	
Eagle Hospitality Trust S2 Pte. Ltd.	
Urban Commons, LLC	
US Hospitality Investments, LLC	
2W Asset Management, LLC	
Asset Investment Management, LLC	
Epic Events, LLC	
Global Investment Services, LLC	
Urban Commons 2 West, LLC	
Urban Commons Battery Park, LLC	
Urban Commons Sunset Blvd, LLC	
US Hospitality Common Co, LLC	
Pasadena Investment Capital, LLC	
Grover Beach Capital, LLC	
Urban Commons El Camino Real, LLC	
Queensway Holdco, LLC	
Queensway, LP	
UCQ Holding, LLC	
UCQUEENSWAYLL, LC	
Urban Commons Global, LLC	
Urban Commons Queensway, LLC	
Urban Commons Gramercy, LLC	
UC4LL, LLC	
Urban Commons 4th Street A, LLC	
UCBAYLL, LLC	
Urban Commons Bayshore A, LLC	
Urban Commons Bayshore, LLC	
UCDANLL, LLC	
Urban Commons Danbury A, LLC	
UCHLL, LLC	
Urban Commons Highway III, LLC	
Urban Commons Hwy 111A, LLC	
Urban Commons Riverside Blvd., A, LLC	
Urban Commons Riverside Blvd., LLC	
UCCONT1, LLC	
Urban Commons Continental, LLC	

UCF1, LLC
UCFLL, LLC
Urban Commons Frontera, LLC
Newport Bayside Resort, LLC
UCH1, LLC
Urban Commons Hialeah, LLC
UCHIDH, LLC
UCHIDHLL, LLC
Urban Commons HIDH, LLC
UCRDHLL, LLC
Urban Commons RDH, LLC
UCRDH, LLC
MIC, LLC
UCCH, LLC
Urban Commons Harvard, LLC
Urban Commons Anaheim HI, LLC
Urban Commons Anaheim, LLC
UCCORDOVALL, LLC
Urban Commons Cordova A, LLC
Urban Commons Cordova, LLC
Urban Common Royal, LLC
4th Street Upper Holdco, LLC
4th Street Lower Holdco, LLC
CCCH, LLC
UC Junior Mezz, LLC
UC Senior Mezz, LLC
UCBLL, LLC
Urban Barbecue, LLC
Urban Commons Summit, LLC
USHIL Holdco Member, LLC
USHIL Holdco, LLC

(2) Taylor Woods

Current Directorships	**Past Directorships (for a period of five years preceding the Latest Practicable Date)**
Eagle Hospitality REIT Management Pte. Ltd. Eagle Hospitality Business Trust Management Pte. Ltd. Urban Commons, LLC US Hospitality Investments, LLC 2W Asset Management, LLC Asset Investment Management, LLC Epic Events, LLC Global Investment Services, LLC Urban Commons 2 West, LLC Urban Commons Battery Park, LLC Urban Commons Sunset Blvd, LLC US Hospitality Common Co, LLC Pasadena Investment Capital, LLC Grover Beach Capital, LLC Urban Commons El Camino Real, LLC Queensway Holdco, LLC	Nil

Queensway, LP
UCQ Holding, LLC
UCQUEENSWAYLL, LC
Urban Commons Global, LLC
Urban Commons Queensway, LLC
Urban Commons Gramercy, LLC
UC4LL, LLC
Urban Commons 4th Street A, LLC
Urban Commons 4th Street, LLC
UCBAYLL, LLC
Urban Commons Bayshore A, LLC
Urban Commons Bayshore, LLC
UCDANLL, LLC
Urban Commons Danbury, LLC
Urban Commons Danbury A, LLC
UCHLL, LLC
Urban Commons Hwy 111A, LLC
Urban Commons Riverside Blvd., A, LLC
Urban Commons Riverside Blvd., LLC
UCCONT1, LLC
Urban Commons Continental, LLC
UCF1, LLC
UCFLL, LLC
Urban Commons Frontera, LLC
Newport Bayside Resort, LLC
UCH1, LLC
Urban Commons Hialeah, LLC
UCHIDH, LLC
UCHIDHLL, LLC
Urban Commons HIDH, LLC
UCRDHLL, LLC
Urban Commons RDH, LLC
UCRDH, LLC
MIC, LLC
UCCH, LLC
Urban Commons Harvard, LLC
Urban Commons Anaheim HI, LLC
Urban Commons Anaheim, LLC
UCCORDOVALL, LLC
Urban Commons Cordova A, LLC
Urban Commons Cordova, LLC
Urban Common Royal, LLC
4th Street Upper Holdco, LLC
4th Street Lower Holdco, LLC
CCCH, LLC
UC Junior Mezz, LLC
UC Senior Mezz, LLC
UCBLL, LLC
Urban Barbecue, LLC
Urban Commons Summit, LLC
USHIL Holdco Member, LLC
USHIL Holdco, LLC
Woods Development, LLC

(3) Davy Lau

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Eagle Hospitality REIT Management Pte. Ltd. Eagle Hospitality Business Trust Management Pte. Ltd. Japan Home (Retail) Pte. Ltd. Manulife US Real Estate Management Pte. Ltd. DGL Group Inc IVC Global Partners Pte. Ltd. Sentiens Asia Pte. Ltd. International Housewares Retail Ltd Hong Kong-ASEAN Economic Cooperation Foundation Make-A-Wish Foundation (Singapore) Limited The Mustard Seed Business Angel Fund LLP United World College of South East Asia The UWCSEA Foundation Limited United World College of South East Asia – East	AL Group Ltd Strategic Investment Partners Inc eZoo School of Music and Fine Arts Pte. Ltd. Ocean Rich Group Ltd Gooute Pte. Ltd.

(4) Tan Wee Peng Kelvin

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Eagle Hospitality REIT Management Pte. Ltd. Eagle Hospitality Business Trust Management Pte. Ltd. Sabana Real Estate Investment Management Pte. Ltd. IREIT Global Group Pte. Ltd. Unusual Limited Golden Equator Capital Pte. Ltd. NL Consulting Pte. Ltd. YK Management Pte. Ltd. Viking Offshore and Marine Limited GBE Investments Pte. Ltd. Orient Straits Fund II-D Association of Taxation Technicians (S) Limited Institute of Singapore Chartered Accountants Pte. Ltd. Global Investments Limited	Shanghai Turbo Enterprises Ltd. Marshal Systems Private Limited Great Wall Majestic Pte. Ltd. Citistate Capital Pte. Ltd. M! Capital Ventures Pte. Ltd. Accrelist Ltd. Asero Worldwide Pte. Ltd. Asia Business Development Pte. Ltd. Transcorp Holdings Limited Aperio Technology Pte. Ltd. GBE Holdings Pte. Ltd. DBE Consulting Pte. Ltd.

(5) Gabriel Stubbe

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Eagle Hospitality REIT Management Pte. Ltd. Eagle Hospitality Business Trust Management Pte. Ltd. Peredigm Private Limited	The Gaia Hotels OUE Commercial REIT Management Pte. Ltd. Bowsprit Capital Corporation Limited

(6) Tarun Kataria

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Eagle Hospitality REIT Management Pte. Ltd. Eagle Hospitality Business Trust Management Pte. Ltd. Mapletree Logistics Trust Management Ltd. B.D. Kataria & Co. (Maritime) Pvt. Ltd. Westlife Development Ltd. Poddar Housing and Development Ltd. Global Moats Fund HSBC Bank (Singapore) Limited Sterlite Investment Managers Limited Jubilant Pharma Limited WWF-World Wide Fund For Nature (Singapore) Limited	Oceanspan Shipping Co., Ltd. 38 Degrees Pte. Ltd. New Opera Singapore Ltd.

(7) Salvatore G. Takoushian

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Eagle Hospitality REIT Management Pte. Ltd. Eagle Hospitality Business Trust Management Pte. Ltd. Advanced Service Solutions, Inc	Nil

(B) Executive Officers of the Managers

(1) Salvatore G. Takoushian

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Eagle Hospitality REIT Management Pte. Ltd. Eagle Hospitality Business Trust Management Pte. Ltd. Advanced Service Solutions, Inc	Nil

(2) John Bovian Jenkins Jr

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Sydjul Hospitality, LLC	Nil

(3) Cheah Zhuo Yue, Joel

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Nil	Nil

(4) Goh Lilian

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Nil	Nil

PROCEDURES FOR THE SUBMISSION OF U.S. TAX FORMS

In order for EHT to comply with FATCA, the Singapore IGA Legislation and other US withholding requirements, Stapled Securityholders that are not US Persons ("**Non-US Stapled Securityholders**") must establish their status for FATCA purposes and their eligibility for the portfolio interest exemption by providing a properly completed and duly exercised applicable IRS Form W-8 ("**Form W-8**") and the certifications below. Stapled Securityholders that are US Persons ("**US Stapled Securityholders**") must provide a properly completed and duly exercised IRS Form W-9 ("**Form W-9**" and collectively with Form W-8 and the certifications below, "**US Tax Forms**"). The U.S. Tax Compliance Certificate (a sample can be found attached behind) is one of the certifications which must be submitted along with the applicable IRS Form in order for Stapled Securityholders to declare their eligibility status to qualify for the portfolio interest exemption.

Boardroom Corporate & Advisory Services Pte. Ltd., the Unit Registrar of EHT, will dispatch US Tax Forms and certifications to each Stapled Securityholder that does not have valid documentation on file prior to EHT making any Distributions to Stapled Securityholders. See Note 7 below regarding validity and resubmission of US Tax Forms.

US Tax Forms may also be obtained from EHT's website at http://www.eagleht.com and the US Internal Revenue Service website at http://www.irs.gov. The U.S. Tax Compliance Certificate may be obtained from EHT's website at http://www.eagleht.com or from Boardroom Corporate & Advisory Services Pte. Ltd., the Unit Registrar of EHT.

Please read the following important notes carefully before completion of a US Tax Form and the certifications below:

(1) No US tax will be deducted or withheld from distributions made out of EHT's taxable income to Non-US Stapled Securityholders that have provided a properly completed and duly executed applicable US Tax Form and the certifications set forth below unless:

(a) the Stapled Securityholder's investment in the Stapled Securities is effectively connected with its conduct of a trade or business in the United States and a properly completed Form W-8ECI has not been provided, or

(b) the Stapled Securityholder actually or constructively holds 10%[1] or more of all outstanding Stapled Securities.

For this purpose, the constructive ownership rules generally attribute ownership of stock:

(a) to individuals from spouses, children, grandchildren and parents ("family attribution"),

(b) to beneficial owners of entities from such entities ("upward attribution"),

(c) to entities from their beneficial owners ("downward attribution") and

(d) to option holders from options to acquire such stock ("option attribution").

In the case of (i) upward attribution and (ii) downward attribution from a shareholder that owns less than 50 percent of the value of a corporation, the stock attributed is proportional to (i) the beneficial owner's ownership of the entity and (ii) the shareholder's ownership interest in the corporation measured by value, respectively. In all other cases of downward attribution, all of the stock owned is attributed down.

1 Section 318 of the U.S. Internal Revenue Code ("**IRC**") modified by the provisions of Section 871(h)(3)(C) of the IRC.

All of the attribution rules generally apply simultaneously, except:

(a) stock constructively owned by an individual through family attribution cannot be subsequently treated as constructively owned by another individual through family attribution,

(b) stock constructively owned through downward attribution cannot be subsequently treated as constructively owned through upward attribution,

(c) stock constructively owned through option attribution cannot be subsequently treated as constructively owned through family, upward or downward attribution, and

(d) if option attribution and family attribution apply to the same stock, the stock is treated as constructively owned through option attribution.

(2) For distributions made to Stapled Securityholders that have not provided proper certifications or that fall within one of the categories described in Note 1:

(a) US withholding at a rate of 30% (or lower applicable treaty rate) may be imposed on any distribution to the extent attributable to interest payments from US Corp to Cayman Corp 1; and/or

(b) US withholding under FATCA at a rate 30% may be imposed on the gross amount of any "withholdable payments".

(3) If the amount of any US withholding exceeds the amount of US federal income tax owed by a Stapled Securityholder, such Stapled Securityholder generally may request a refund of such excess amount by filing a US federal income tax return (generally IRS Form 1040-NR in the case of a Stapled Securityholder that is an individual or IRS Form 1120-F in the case of a Stapled Securityholder that is taxable as a corporation) and attaching a copy of IRS Form 1042-S (provided by EHT, CDP, or a CDP depository agent, as applicable) that shows the amount of income and the amount of US tax withheld. If a Stapled Securityholder is not otherwise subject to US tax and is eligible for the Portfolio Interest Exemption, the amount of US withholding will generally exceed the amount of US federal income tax owed by 100%, and thus the Stapled Securityholder will generally be eligible for a refund provided that the applicable withholding agent has properly deposited the withheld tax with the IRS.

The relevant forms and instructions may be found on the IRS website at http://www.irs.gov. Stapled Securityholders are encouraged to consult with their own tax advisors regarding their eligibility to file for a refund and how to do so.

(4) Non-US Stapled Securityholders should use the following chart to determine which Form W-8 to provide:

If a Non-US Stapled Securityholder is:	Then:
A natural person whose investment in Stapled Securities is not effectively connected with its conduct of a trade or business in the United States	The Stapled Securityholder must provide an IRS Form W-8BEN
An entity that is disregarded as separate from a natural person for US federal income tax purposes and for which its investment in Stapled Securities is not effectively connected with its or its sole-owner's conduct of a trade or business in the United States	The sole owner of the Stapled Securityholder must provide an IRS Form W-8BEN
An entity that is not a foreign intermediary or flow through entity for US federal income tax purposes and for which its investment in the Stapled Securities is not effectively connected with its conduct of a trade or business in the United States	The Stapled Securityholder must provide an IRS Form W-8BEN-E
An entity that is disregarded as separate from an entity that is not a foreign intermediary or flow through entity for US federal income tax purposes and for which its investment in the Stapled Securities is not effectively connected with its conduct of a trade or business in the United States	The sole owner of the Stapled Securityholder must provide an IRS Form W-8BEN-E
A foreign government, international organisation, foreign central bank of issue, foreign tax-exempt organisation, foreign private foundation, or government of a US possession that is claiming the applicability of Section(s) 115(2), 501(c), 892, 895, or 1443(b) (unless claiming treaty benefits)	The Stapled Securityholder must provide an IRS Form W-8EXP
Any person described above except that its investment in the Stapled Securities is effectively connected with its conduct of a trade or business in the United States	The Stapled Securityholder (or the sole owner of the Stapled Securityholder in the case of a disregarded entity) must provide an IRS Form W-8ECI
Acting as a foreign intermediary (that is, acting not for its own account, but for the account of others as an agent, nominee, or custodian) or a flow through entity	The Stapled Securityholder must provide an IRS Form W-8IMY that contains all applicable attachments

Stapled Securityholders that are US persons or that are entities disregarded as separate from a US person for US federal income tax purposes must provide a Form W-9.

(5) Instructions to the US Tax Forms may be obtained from EHT's website at http://www.eagleht.com or from the US Internal Revenue Service website at http://www.irs.gov;

(6) Instructions to the U.S. Tax Compliance Certificate may be obtained from EHT's website at http://www.eagleht.com.

(7) Submission instructions for US Tax Forms and U.S. Tax Compliance Certificate will be provided to Stapled Securityholders by the Unit Registrar. It is the responsibility of Stapled Securityholders to return the relevant US Tax Forms and U.S. Tax Compliance Certificate to the Unit Registrar within the time stipulated by the Unit Registrar. If a Stapled Securityholder fails to return the relevant US Tax Form and U.S. Tax Compliance Certificate to the Unit Registrar or any US Tax Form previously returned by the Stapled Securityholder to the Unit Registrar has ceased to remain valid, the REIT Trustee and Manager will be obliged to withhold tax as described in Note 2, above. The REIT Trustee and Manager will not be obliged to assist such Stapled Securityholder from obtaining a refund for the amounts deducted or withheld by the IRS, the IRAS or other applicable tax or regulatory authorities.

(8) Prior to submitting a Form W-8 and the certifications below, please make certain that the information given and the certifications made are true and correct. Each Form W-8 must be signed under penalties of perjury.

(9) A Form W-8 will generally remain valid from the date signed until the last day of the third succeeding calendar year. For example, a form signed on 31 December 2018 will remain valid through 31 December 2021. All US Tax Forms cease to be valid upon any change in circumstance that renders a previously submitted US Tax Form inaccurate. A Stapled Securityholder must submit a new properly completed and duly executed US Tax Form if its previously submitted US Tax Form becomes invalid or if Manager or the Unit Registrar otherwise requests within the time stipulated by Manager or the Unit Registrar.

U.S. TAX COMPLIANCE CERTIFICATE

This Tax Compliance Certificate will generally remain valid from the date signed until there is any change in circumstance that renders the declaration under this Tax Compliance Certificate inaccurate, upon which this Tax Compliance Certificate shall cease to be valid. A Stapled Securityholder must submit a new properly completed and duly executed Tax Compliance Certificate if its previously submitted Tax Compliance Certificate becomes invalid or if the Manager or the Unit Registrar otherwise requests within the time stipulated by Manager or the Unit Registrar.

In connection with the acquisition of Stapled Securities of **Eagle Hospitality Trust**, the undersigned hereby certifies that **(Please see Explanatory Note)**:

(i) it is the sole record and beneficial owner of the Stapled Securities in respect of which it is providing this certificate;

(ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code;

(iii) it is not a controlled foreign corporation related to the Issuer as described in Section 881(c)(3)(C) of the Code; and

(iv) it is not a ten percent shareholder of Issuer within the meaning of Section 871(h)(3)(B) of the Code.

The undersigned has furnished **Eagle Hospitality Trust** with a certificate of its non-U.S. Person status on an applicable U.S. Internal Revenue Service Form W-8.

By: _____ Date: _____

Name: Title:

This US Tax Compliance Certificate must be submitted along with the applicable IRS Form in order for Eagle Hospitality Trust Stapled Securityholders to declare their eligibility status to qualify for portfolio interest exemption.

EXPLANATORY NOTE:

For this purpose, the constructive ownership rules generally attribute ownership of stock:

(a) to individuals from spouses, children, grandchildren and parents ("**family attribution**"),

(b) to beneficial owners of entities from such entities ("**upward attribution**"),

(c) to entities from their beneficial owners ("**downward attribution**") and

(d) to option holders from options to acquire such stock ("**option attribution**").

In the case of (i) upward attribution and (ii) downward attribution from a shareholder that owns less than 50 percent of the value of a corporation, the stock attributed is proportional to (i) the beneficial owner's ownership of the entity and (ii) the shareholder's ownership interest in the corporation measured by value, respectively. In all other cases of downward attribution, all of the stock owned is attributed down.

All of the attribution rules generally apply simultaneously, except:

(a) stock constructively owned by an individual through family attribution cannot be subsequently treated as constructively owned by another individual through family attribution,

(b) stock constructively owned through downward attribution cannot be subsequently treated as constructively owned through upward attribution,

(c) stock constructively owned through option attribution cannot be subsequently treated as constructively owned through family, upward or downward attribution, and

(d) if option attribution and family attribution apply to the same stock, the stock is treated as constructively owned through option attribution.

THE CONDITIONS LISTED ABOVE ARE FOR THE PURPOSES OF GENERAL INFORMATION ONLY AND DO NOT CONSTITUTE FORMAL TAXATION ADVICE IN RESPECT OF DECLARING ELIGIBILITY STATUS. STAPLED SECURITYHOLDERS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS BEFORE MAKING SUCH A DECLARATION.

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AIFMD DISCLOSURES

*This **Appendix J** should be read by prospective investors domiciled, or with a registered office, in a member state of the European Economic Area ("**EEA**"). The REIT Manager and the Trustee-Manager (collectively, the "**Managers**") are due to offer Stapled Securities in Eagle Hospitality Trust ("**EHT**"), with each Stapled Security comprising one unit in Eagle Hospitality Real Estate Investment Trust ("**EH-REIT**") and one unit in Eagle Hospitality Business Trust ("**EH-BT**"), that are anticipated to be marketed in the United Kingdom which is a member state of the EEA.*

*EHT will be an "alternative investment fund" ("**AIF**"), as defined in the Alternative Investment Fund Managers Directive 2011/61/EU of the European Parliament and of the European Council (the "**AIFMD**"). Each of the REIT Manager and the Trustee-Manager is considered the "alternative investment fund manager" of EHT (the "**AIFM**"), as defined in the AIFMD.*

Unless otherwise defined herein, capitalised terms used in this Appendix shall have the same meanings as those defined in this Prospectus.

No.	Nature of disclosure	Disclosure
Article 23(1)(a)		
1.	Objectives of the AIF.	The investment objective and strategy of EHT are to deliver regular and stable distributions to Stapled Securityholders of EHT and to achieve long-term growth in distribution per Stapled Security and in the NAV per Stapled Security, while maintaining an appropriate capital structure.
2.	Investment strategy of the AIF.	EH-REIT is 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 US. Real estate used for "**hospitality**" purposes includes hotels, serviced residences, resorts and other lodging facilities, whether in existence by themselves as a whole or as part of larger mixed-use developments, which may include commercial, entertainment, retail and leisure facilities. EH-BT is currently dormant. It will, however, become active if any of the following occurs: (i) it is appointed by EH-REIT, in the absence of any other master lessee(s) being appointed, as a Master Lessee of one of the Properties. EH-BT exists primarily as "a master lessee of last resort";

No.	Nature of disclosure	Disclosure
		(ii) EH-REIT acquires hotels in the future, and, if there are no other suitable master lessees, EH-REIT will lease these acquired hotels to EH-BT. EH-BT will then become a master lessee for that hotel and will appoint a Hotel Manager to manage that hotel, where such hotel management fees will be borne by the EH-BT (as master lessee); or (iii) it undertakes certain hospitality and hospitality-related development projects, acquisitions and investments which may not be suitable for EH-REIT.
3.	Location of any master AIF.	This is not applicable as neither EH-REIT nor EH-BT qualifies as a feeder within the meaning of the AIFMD.
4.	Where underlying funds are established if the AIF is a fund of funds	This is not applicable as neither EH-REIT nor EH-BT is a fund of funds.
5.	Types of assets in which the AIF may invest.	Under its current investment strategy, EH-REIT may invest 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 US. EH-BT is currently dormant and does not have an investment strategy or objective setting out the types of assets it may invest.
6.	Techniques which the AIF may employ and all associated risks.	Please refer to the disclosure in paragraph 2 above for EH-REIT's principal investment strategy and the section entitled "Risk Factors" of this Prospectus for the risks relating to the techniques which the Managers may employ. EH-REIT has an investment policy of investing, 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 US. Such investments may be made by way of direct ownership of such assets or by way of direct or indirect holdings of shares, units or interests (as the case may be) in special purpose vehicles which are unlisted, each of whose primary purpose is to hold or own real estate or real estate related assets.

No.	Nature of disclosure	Disclosure
		EH-BT is established to principally carry on the following businesses: (i) the acquisition, disposition and ownership of authorised investments and all activities, concerns, functions and matters reasonably incidental thereto; (ii) ownership of subsidiaries which are engaged in the acquisition, disposition and ownership of authorised investments and all activities, concerns, functions and matters reasonably incidental thereto; and (iii) any business, undertaking or activity associated with, incidental and/or ancillary to the carrying on of the businesses referred to in paragraphs (i) and (ii) of this definition, including (without limitation) the management and leasing of the authorised investments. EH-BT is currently dormant. It will, however, become active if any of the following occurs: (i) it is appointed by EH-REIT, in the absence of any other master lessee(s) being appointed, as a Master Lessee of one of the Properties. EH-BT exists primarily as "a master lessee of last resort"; (ii) EH-REIT acquires hotels in the future, and, if there are no other suitable master lessees, EH-REIT will lease these acquired hotels to EH-BT. EH-BT will then become a master lessee for that hotel and will appoint a Hotel Manager to manage that hotel, where such hotel management fees will be borne by the EH-BT (as master lessee); or (iii) it undertakes certain hospitality and hospitality-related development projects, acquisitions and investments which may not be suitable for EH-REIT.

No.	Nature of disclosure	Disclosure
7.	Any applicable investment restrictions on the AIF.	(i) EH-REIT is required to comply with the Property Funds Appendix issued by the MAS and the applicable provisions of the EH-REIT Trust Deed. (ii) Pursuant to paragraph 6 of the Property Funds Appendix and the EH-REIT Trust Deed, EH-REIT may only invest in: (a) real estate, whether freehold or leasehold, in or outside Singapore, which may be by way of direct ownership or a shareholding in an unlisted special purpose vehicle constituted to hold or own real estate; (b) any improvement or extension of or addition to, or reconstruction, refurbishment, retrofitting, renovation or other development of any real estate or any building thereon; (c) real estate-related assets, wherever the issuers/assets/securities are incorporated/located/issued/traded; (d) listed or unlisted debt securities and listed shares of, or issued, by local or foreign non-property corporations; (e) government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supranational agency or a Singapore statutory board; (f) cash and cash equivalent items; (g) financial derivatives only for the purposes of (a) hedging existing positions in EH-REIT's portfolio where there is a strong correlation to the underlying investments or (b) efficient portfolio management by EH-REIT, provided that such derivatives are not used to gear the overall portfolio of EH-REIT or intended to be borrowings or any form of financial indebtedness of EH-REIT; and

No.	Nature of disclosure	Disclosure
		(h) any other investment not covered by paragraph (a) to (g) of this definition but specified as a permissible investment in the Property Funds Appendix or otherwise permitted by the Authority and selected by the Manager for investment by the Trust and approved by the Trustee in writing. (iii) Pursuant to paragraph 7.1 of the Property Funds Appendix, EH-REIT is required to comply with the following restrictions and requirements: (a) at least 75% of EH-REIT's deposited property (as defined in the Property Funds Appendix) should be invested in income-producing real estate; (b) EH-REIT should not undertake property development activities whether on its own, in a joint venture with others, or by investing in unlisted property development companies, unless EH-REIT intends to hold the developed property upon completion. For this purpose, property development activities do not include refurbishment, retrofitting and renovations; (c) EH-REIT should not invest in vacant land and mortgages (except for mortgage-backed securities). This prohibition does not prevent EH-REIT from investing in real estate to be built on vacant land that has been approved for development or other uncompleted property developments;

No.	Nature of disclosure	Disclosure
		(d) the total contract value of property development activities undertaken and investments in uncompleted property developments should not exceed 10% of EH-REIT's deposited property. The total contract value of property development activities may exceed 10% of EH-REIT's deposited property (subject to a maximum of 25% of EH-REIT's deposited property) only if: (i) the additional allowance of up to 15% of EH-REIT's deposited property is utilised solely for the redevelopment of an existing property that has been held by EH-REIT for at least three years and which EH-REIT will continue to hold for at least three years after the completion of the redevelopment; and (ii) EH-REIT obtains the specific approval of Unitholders' at a general meeting for the redevelopment of the property. For the purpose of this paragraph (d), the value of the investment refers to the contracted purchase price and not the value of progress payments made to date; and (e) for investments in permissible investments under sub-paragraphs (ii)(c), (ii)(d) or (ii)(e) above (except for deposits placed with eligible financial institutions and investments in high-quality money market instruments or debt securities), not more than 5% of EH-REIT's deposited property may be invested in any one issuer's securities or any one manager's funds. (iv) EH-BT is required to comply with the applicable provisions of the EH-BT Trust Deed. For the avoidance of doubt, the Property Funds Appendix issued by the MAS is not applicable to EH-BT.

No.	Nature of disclosure	Disclosure
		(v) Pursuant to the EH-BT Trust Deed, EH-BT may only invest in: (a) real estate; (b) any improvement or extension of or addition to or reconstruction, refurbishment, retrofitting, renovation or other development of any real estate or any building thereon; (c) real estate related assets, wherever the issuers, assets or securities are incorporated, located, issued or traded; (d) listed or unlisted debt securities and listed shares or stock and (if permitted by the MAS) unlisted shares or stock of or issued by local or foreign non-property companies or corporations; (e) government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supra-national agency or a Singapore statutory board; (f) cash and cash equivalent items; (g) financial derivatives only for the purposes of (a) hedging existing positions in EH-BT's portfolio where there is a strong correlation to the underlying investments or (b) efficient portfolio management by EH-BT, PROVIDED THAT such derivatives are not used to gear the overall portfolio of EH-BT or intended to be borrowings or any form of financial indebtedness of EH-BT; and (h) any other investment not covered by paragraph (a) to (g) of this definition but is not an investment which is prohibited in any applicable guidelines issued by the Authority and selected by the Trustee-Manager for investment by EH-BT incidental to or in connection with the carrying on of any authorised businesses under the EH-BT Trust deed. (vi) EH-BT is currently dormant and does not have any investment strategy or plans.

No.	Nature of disclosure	Disclosure
8.	Circumstances in which the AIF may use leverage.	Pursuant to paragraph 9.1 of the Property Funds Appendix, EH-REIT may use borrowings for investment or redemption purposes. It may mortgage its assets to secure such borrowings. EH-BT is currently dormant and does not expected to incur any leverage. If EH-BT becomes active, it may use borrowings for its authorised businesses and investments.
9.	Types and sources of leverage permitted and associated risks.	Types of leverage permitted include guarantees, bonds, notes, syndicated loans, bilateral loans or other debt. Please refer to the section entitled "Risk Factors" of this Prospectus for the risks factors relating to leverage entitled "Risks Relating to EHT's Operations – The amount EH-REIT may borrow is subject to the aggregate leverage limit set out in the Property Funds Appendix, which may affect the operations of EHT." and "– EHT faces risks associated with debt financing."
10.	Any restrictions on the use of leverage.	Pursuant to paragraph 9.2 of the Property Funds Appendix, the total borrowings and deferred payments of EH-REIT should not exceed 45.0% of EH-REIT's deposited property. Such restriction does not apply to EH-BT.
11.	Any restrictions on the use of collateral and asset reuse arrangements.	Pursuant to paragraph 9.1 of the Property Funds Appendix and the EH-REIT Trust Deed, EH-REIT may mortgage its assets to secure borrowings which are used for investment or redemption purposes. In connection with such collateral, EH-REIT's assets would be given in security only and can be appropriated to the satisfaction of payment of outstanding borrowings by EH-REIT to the relevant chargees/mortgagees, and not by way of transfer of title or possession of the assets to such chargees/ mortgagees (as opposed to, for example, a prime broker to whom securities are pledged and who can use them for securities lending purposes); EH-REIT would continue to have the rights to possess and enjoy its assets, including leasing of its real properties; and there would be no arrangement under which such collaterals and assets may be reused by the relevant chargees/mortgagees. EH-BT is permitted under the EH-BT Trust Deed to mortgage its assets to to secure the payment of any moneys or the performance of any obligation whatsoever or howsoever arising of any person upon such terms and conditions as the Trustee-Manager may think fit. EH-BT is currently dormant and has no assets.

No.	Nature of disclosure	Disclosure
12.	Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF.	Please refer to the disclosure in paragraph 10 of this **Appendix J** above.
Article 23(1)(b)		
13.	Procedure by which the AIF may change its investment strategy or policies, or both.	The investment strategy of EH-REIT and EH-BT shall be determined by the Managers from time to time at its absolute discretion subject to the terms of the EH-REIT Trust Deed and the EH-BT Trust Deed. The Managers may from time to time change its investment policies for EH-REIT and EH-BT so long as they have given not less than 30 days' prior notice of the change to the REIT Trustee (in the case of EH-REIT only) and the Stapled Securityholders by way of an announcement to the SGX-ST. The REIT Manager is also required under the Code on Collective Investment Schemes to notify the MAS of any significant change of EH-REIT's investment strategy not later than one month before the change is to take effect.
Article 23(1)(c)		
14.	Main legal implications of the contractual relationship entered into for the purposes of investment (including jurisdiction, applicable law and the existence or not of any legal instruments providing for the recognition and enforcement of judgements in the territory where the AIF is established).	Investors who have acquired or subscribed for Stapled Securities in EHT are Stapled Securityholders. The rights and interests of Stapled Securityholders are provided for in the EH-REIT Trust Deed, EH-BT Trust Deed and the Stapling Deed, which are governed by the laws of Singapore. The terms and conditions of the EH-REIT Trust Deed, EH-BT Trust Deed and the Stapling Deed shall be binding on each Stapled Securityholder as if such Stapled Securityholder has been a party to the Trust Deed and as if the EH-REIT Trust Deed, EH-BT Trust Deed and the Stapling Deed contain covenants by such Stapled Securityholder to observe and be bound by the provisions of the EH-REIT Trust Deed, EH-BT Trust Deed and the Stapling Deed and an authorisation by each Stapled Securityholder to do all such acts and things as the EH-REIT Trust Deed, EH-BT Trust Deed and the Stapling Deed may require the REIT Trustee or the Managers (as the case may be) to do.

No.	Nature of disclosure	Disclosure
		A Stapled Securityholder has no equitable or proprietary interest in the underlying assets of EH-REIT or EH-BT. A Stapled Securityholder is not entitled to the transfer to him of EHT's deposited property or any part of EHT's deposited property or of any estate or interest in the deposited property or in any part of the deposited property. There is no single legal regime in Singapore governing the recognition and enforcement of foreign judgements in Singapore. Rather, under Singapore law, there exists common law, and statutory mechanisms for the recognition and enforcement of foreign judgements in Singapore. Each of these is subject to its own procedures and qualifications and whether a judgement given in a foreign court will be enforced in Singapore must be considered in light of the relevant factors in each case, including the applicable regime under which such judgement was given, the specific jurisdiction where such judgement was given and whether the requirements for recognition and enforcement of the foreign judgement have been satisfied. The EH-REIT Trust Deed, EH-BT Trust Deed and the Stapling Deed are available for inspection by investors and prospective investors at the registered office of the Managers for as long as EH-REIT and EH-BT are in existence.
Article 23(1)(d)		
15.	The identity of the AIFM.	The REIT Manager, Eagle Hospitality REIT Management Pte. Ltd., is incorporated in Singapore under the Companies Act, Chapter 50 of Singapore on 30 August 2018. As at the date of this Prospectus, the issued share capital of the REIT Manager is S$1,000,000 comprising 1,000,000 ordinary shares. Its registered office is 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The REIT Manager's contact details are as follows: Telephone No. : +65 6653 4434 Facsimile No. : +65 6653 4788

No.	Nature of disclosure	Disclosure
		The Trustee-Manager, Eagle Hospitality Business Trust Management Pte. Ltd., is incorporated in Singapore under the Companies Act, Chapter 50 of Singapore on 30 August 2018. As at the date of this Prospectus, the issued share capital of the Trustee-Manager is S$1.00 comprising 1 ordinary share. Its registered office is 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The Trustee-Manager's contact details are as follows: Telephone No. : +65 6653 4434 Facsimile No. : +65 6653 4788 The Managers will be categorised as an "*alternative investment fund manager*" (as defined in the AIFMD) and the agents appointed by the Managers will conduct the marketing of EHT in the United Kingdom in accordance with the requirements of the AIFMD and applicable regulations.
16.	The identity of the AIF's depositary, a description of their duties and the investors' rights.	EHT's depository and clearing organisation is The Central Depository (Pte) Limited, a corporation established under the laws of Singapore. For the avoidance of doubt, investors are expressly notified that this entity does not constitute a depositary within the meaning of the AIFMD; EHT is not obliged to appoint an AIFMD depositary and The Central Depository (Pte) Limited is not obliged to comply with the requirements of the AIFMD. The contact details of The Central Depository (Pte) Limited are as follows: Address : 9 North Buona Vista Drive #01-19/20, The Metropolis Singapore 138588 Telephone No. : +65 6535 7511 Facsimile No. : +65 6535 0775

No.	Nature of disclosure	Disclosure
17.	The identity of the AIF's auditor, a description of their duties and the investors' rights.	EHT's auditor is KPMG LLP (the "**Reporting Auditors**"). The contact details of the Reporting Auditors are as follows: Address : 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581 Telephone No. : +65 6213 3388 Facsimile No. : +65 6225 0984 The Reporting Auditors were responsible for preparing the Reporting Auditors' Report on the Profit Forecast and Profit Projection and the Reporting Auditors' Report on the Examination of the Unaudited Pro Forma Consolidated Financial Information, set out in **Appendix A** and **Appendix B** of this Prospectus, respectively. The Reporting Auditors have given and have not withdrawn their written consents to the issue of this Prospectus with the inclusion herein of their names and their reports in this Prospectus. Pursuant to Section 254 and Section 302 of the SFA, the Reporting Auditors shall be liable to compensate any person who suffers loss or damage as a result of a false or misleading statement made by them in the Prospectus, which includes their reports as set out in **Appendix A** and **Appendix B** of this Prospectus. Save for the above and without prejudice to any potential right of action in tort or any potential derivative action, investors in EHT may not have a direct right of recourse against the Reporting Auditors as such a right of recourse will lie with the relevant contracting counterparty (in this case being the Managers and the REIT Trustee) rather than the investors. Any contractual claim, demand or action against the Reporting Auditors may, in the absence of any derivative action, be brought only by the Managers and/or the REIT Trustee. In the event that an investor in EHT considers that it may have a claim against the Reporting Auditors in connection with its investment in EHT, such investor should consult its own legal advisers.

No.	Nature of disclosure	Disclosure
18.	The identity of any other AIF service providers, a description of their duties and the investors' rights.	**Independent Valuers** EH-REIT will engage independent professional valuers with the appropriate professional qualifications and experience in the location and category of the real estate assets being valued, to conduct a full valuation of its real estate assets at least once per financial year in accordance with the Property Funds Appendix. Generally, where the Managers propose to issue new Stapled Securities for subscription (except in the case where new Stapled Securities are being issued in payment of the Managers' management fees) or to redeem existing Stapled Securities and EHT-REIT's real estate assets were valued more than six months ago, the REIT Manager should exercise discretion in deciding whether to conduct a desktop valuation of the real estate assets, especially when market conditions indicate that real estate values have changed materially. The REIT Manager or the REIT Trustee may at any other time arrange for the valuation of any of the real properties held by EH-REIT if it is of the opinion that it is in the best interest of Stapled Securityholders to do so. Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. ("**Colliers**") and SG&R Singapore Pte Ltd[1] ("**HVS**") were appointed to conduct independent valuations of the Hotels comprising the Initial Portfolio as at 31 December 2018. Valuation reports were issued by Colliers and HVS in respect of their respective engagements, and the independent property valuation summary reports by both Colliers and HVS can be found in **Appendix D** of this Prospectus. Colliers and HVS have each given and have not withdrawn their written consents to the issue of this Prospectus with the inclusion herein of their names and their respective reports in this Prospectus. Pursuant to Section 254 and Section 302 of the SFA, each of Colliers and HVS shall be liable to compensate any person who suffers loss or damage as a result of a false or misleading statement made by them in the Prospectus, which includes their respective valuation reports as set out in **Appendix D** of this Prospectus.

1 SG&R Singapore Pte Ltd is the Singapore entity of HVS.

No.	Nature of disclosure	Disclosure
		Save for the above and without prejudice to any potential right of action in tort or any potential derivative action, investors in EHT may not have a direct contractual right of recourse against the valuers as such a right of recourse will lie with the relevant contracting counterparty (such as the REIT Manager or the REIT Trustee, as the case may be) rather than the investors. Any contractual claim, demand or action against any independent professional valuer may, in the absence of any derivative action, be brought only by the relevant contracting counterparty (such as the REIT Manager or the REIT Trustee, as the case may be). **Tax Adviser** KPMG Services Pte. Ltd. (the "**Independent Tax Adviser**") has been engaged to prepare the Independent Taxation Report found in Appendix F of this Prospectus. The Independent Tax Adviser has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and the Independent Taxation Report as set out in Appendix F of this Prospectus. Pursuant to Section 254 and Section 302 of the SFA, the Independent Tax Adviser shall be liable to compensate any person who suffers loss or damage as a result of a false or misleading statement made by it in the Prospectus, which includes the Independent Taxation Report as set out in Appendix F of this Prospectus. KPMG LLP (a Delaware limited liability partnership), was responsible for preparing the "United States Taxation Report" appended to the Independent Taxation Report found in Appendix F of this Prospectus ("**KPMG LLP (US)**"). KPMG LLP (US) has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and the "United States Taxation Report" appended to the Independent Taxation Report found in Appendix F of this Prospectus. Pursuant to Section 254 and Section 302 of the SFA, KPMG LLP (US) shall be liable to compensate any person who suffers loss or damage as a result of a false or misleading statement made by it in the Prospectus, which includes the "United States Taxation Report" appended to the Independent Taxation Report found in Appendix F of this Prospectus.

No.	Nature of disclosure	Disclosure
		Save for the above and without prejudice to any potential right of action in tort or any potential derivative action, investors in EHT may not have a direct right of recourse against the Independent Tax Adviser and KPMG LLP (US) as such a right of recourse will lie with the relevant contracting counterparty (such as the Managers or the REIT Trustee, as the case may be) rather than the investors. Any contractual claim, demand or action against the Independent Tax Adviser and KPMG LLP (US) may, in the absence of any derivative action, be brought only by the relevant contracting counterparty (such as the Managers or the REIT Trustee, as the case may be). **Compliance Officer** The REIT Manager has outsourced the compliance function to Deloitte & Touche Enterprise Risk Services Pte. Ltd. ("**Deloitte**"). Deloitte will report to the Chief Executive Officer and President. The duties under the compliance function by Deloitte are set out in the section entitled "Management and Corporate Governance – EH-REIT – Compliance Officer". Deloitte may also be engaged to provide regulatory compliance advice from time to time as may be required by the REIT Manager. Deloitte will carry out the above compliance activities and the REIT Manager is responsible for ensuring compliance with all applicable laws, regulations and guidelines. The REIT Manager may, if it considers necessary, directly employ a compliance officer in the future. Investors in EHT may not have a direct right of recourse against Deloitte or any other outsourced compliance service provider as such a right of recourse will lie with the relevant contracting counterparty, being the REIT Manager, rather than the investors. Any contractual claim, demand or action against the outsourced compliance service provider may, in the absence of any derivative action, be brought only by the relevant contracting counterparty, being the REIT Manager. Further, in circumstances where an affiliate or third party delegate is appointed by the Managers or the REIT Trustee, any contractual claim, demand or action against such delegate may, in the absence of any derivative action, be brought only by the Managers and/or the REIT Trustee.

No.	Nature of disclosure	Disclosure
		In the event that an investor in EHT considers that it may have a claim against any of the service providers described above in connection with its investment in EHT, such investor should consult its own legal advisers.
Article 23(1)(e)		
19.	Description of how the AIFM complies with the requirements to cover professional liability risks (own funds/professional indemnity insurance).	The REIT Manager is required to satisfy the base capital requirement of S$1.0 million for its regulated activity of REIT management as per Regulation 3 of the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations of Singapore. There is no similar regulatory requirement for the Trustee-Manager. As set out in the disclosure in paragraph 15 above, as at the Latest Practicable Date, the issued share capital of the REIT Manager is S$1,000,000 comprising 1,000,000 ordinary shares, and the issued share capital of the Trustee-Manager is S$1.00 comprising 1 ordinary share. In addition, the REIT Manager maintains professional indemnity insurance coverage for the liability of its Directors and officers. The Trustee-Manager does not maintain professional indemnity insurance coverage as EH-BT is currently dormant and does not hold any assets.
Article 23(1)(f)		
20.	Description of any delegated management function (such as portfolio management or risk management) by the AIFM to third parties, the identity of the delegate(s) and any conflicts of interest that may arise from such delegation(s).	The Managers have not delegated any management function to third parties. The Hotels in the Initial Portfolio will be leased to wholly-owned subsidiaries of the Sponsor pursuant to master lease agreements. Each Hotel, except The Queen Mary Long Beach, will be operated under a brand owned by one of the Hotel Franchisors pursuant to the franchise agreements between the applicable Hotel Franchisor and the Master Lessees, and the day-to-day operations of each Hotel will be managed by a third party hotel management company pursuant to hotel management agreements between the applicable Master Lessee and the applicable Hotel Manager. None of the Managers or the REIT Trustee is a party to the agreements with the Hotel Managers and the Hotel Franchisors.

No.	Nature of disclosure	Disclosure
		The REIT Manager has incorporated a wholly-owned subsidiary in the United States (the "**REIT Manager US Sub**") so that to the extent activities of the REIT Manager would be required to be performed within the United States, those activities will be delegated to the REIT Manager US Sub. The scope of activities which the REIT Manager US Sub will be undertaking will cover, among others, the U.S. specific investment and asset management oversight services of the REIT Manager which need to take place in the United States, such as meeting and negotiating with potential vendors, inspecting properties and performing oversight over the U.S. service providers. Such services in the U.S. will be provided by the REIT Manager US Sub pursuant to a services agreement between the REIT Manager, the REIT Manager US Sub and US Corp. There is no conflict arising from such delegation as the REIT Manager US Sub is a wholly-owned subsidiary of the REIT Manager. In any event, as disclosed in the section entitled "Management and Corporate Governance – EH-REIT – Corporate Governance of the REIT Manager – Potential Conflicts of Interest" of this Prospectus, the following principles and procedures have been established to deal with potential conflicts of interest which the REIT Manager may encounter in managing EH-REIT: (i) The REIT Manager will not manage any other real estate investment trust which invests in the same type of properties as EH-REIT; (ii) All executive officers will be employed by the REIT Manager and will not hold executive positions in any other entities; (iii) All resolutions in writing of the REIT Manager Directors in relation to matters concerning EH-REIT must be approved by a majority of the directors, including at least one director independent from management and business relationships with the REIT Manager;

No.	Nature of disclosure	Disclosure
		(iv) At least one-third of the REIT Manager Board shall comprise independent directors, provided that where (i) the Chairman of the REIT Manager Board and the Chief Executive Officer is the same person, (ii) the Chairman of the REIT Manager Board and the Chief Executive Officer are immediate family members, (iii) the Chairman of the REIT Manager Board is part of the management team; (iv) the Chairman of the REIT Manager Board is not an independent director or (v) the EH-REIT Unitholder do not have the right to appoint directors, at least half the board shall comprise independent directors; (v) In respect of matters in which a REIT Manager 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 REIT Manager Directors and must exclude such interested director; (vi) In respect of matters in which the Sponsor has an interest, direct or indirect, for example, in matters relating to; (A) potential acquisitions of additional properties or property-related investments by EH-REIT in competition with the Sponsor; and (B) competition for tenants between properties owned by EH-REIT and properties owned by the Sponsor, any nominees appointed by the Sponsor to the REIT Manager Board to represent its interests will abstain from deliberations and voting on such matters. In such matters, the quorum must comprise a majority of the REIT Manager Directors independent from management and business relationships with the REIT Manager and must exclude nominee directors of the Sponsor;

No.	Nature of disclosure	Disclosure
		(vii) Save as to resolutions relating to the removal of the REIT Manager, the REIT Manager and its associates are prohibited from voting or being counted as part of a quorum for any meeting of the holders of EH-REIT Units convened to approve any matter in which the REIT Manager and/or any of its associates has an interest, and for so long as the REIT Manager is the manager of EH-REIT, the controlling shareholders of the REIT Manager and of any of its associates are prohibited from voting or being counted as part of a quorum for any meeting of the holders of EH-REIT Units convened to consider a matter in respect of which the relevant controlling shareholders of the REIT Manager and/or of any of its associates have an interest; and (viii) It is also provided in the EH-REIT Trust Deed that if the REIT 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 REIT Trustee for and on behalf of EH-REIT with Related Party (as defined in the Prospectus) of the REIT Manager, the REIT Manager shall be obliged to consult with a reputable law firm (acceptable to the REIT Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the REIT Trustee, on behalf of EH-REIT, has a *prima facie* case against the party allegedly in breach under such agreement, the REIT Manager shall be obliged to take appropriate action in relation to such agreement. The REIT Manager Directors will have a duty to ensure that the REIT Manager so complies. Notwithstanding the foregoing, the REIT Manager shall inform the REIT Trustee as soon as it becomes aware of any breach of any agreement entered into by the REIT Trustee for and on behalf of EH-REIT with a Related Party of the REIT Manager and the REIT Trustee may take such action as it deems necessary to protect the rights of the holders of EH-REIT Units and/or which is in the interests of the holders of EH-REIT Units. Any decision by the REIT Manager not to take action against a Related Party of the REIT Manager shall not constitute a waiver of the REIT Trustee's right to take such action as it deems fit against such Related Party.

No.	Nature of disclosure	Disclosure
		The REIT Manager has established an internal control system to ensure that all future Related Party Transactions will be undertaken on normal commercial terms and will not be prejudicial to the interests of EH-REIT and the Stapled Securityholders. In relation to the Trustee-Manager, as disclosed in the section entitled "Management and Corporate Governance – EH-BT – Corporate Governance of the Trustee-Manager – Potential Conflicts of Interest" of this Prospectus, the following principles and procedures have been established to deal with potential conflicts of interest which the Trustee-Manager may encounter in managing EH-BT: (i) All key executive officers will be employed by the Trustee-Manager and will not hold executive positions in other entities; (ii) All resolutions in writing of the Trustee-Manager Directors in relation to matters concerning EH-BT must be approved by at least a majority of the Trustee-Manager Directors (excluding any interested Director), including at least one independent Trustee-Manager Director; (iii) At least one-third of the Trustee-Manager Board shall comprise independent directors, provided that where the (i) the Chairman of the Trustee-Manager Board and the Chief Executive Officer is the same person, (ii) the Chairman of the Trustee-Manager Board and the Chief Executive Officer are immediate family members, (iii) the Chairman of the Trustee-Manager Board is part of the management team; (iv) the Chairman of the Trustee-Manager Board is not an independent director or (v) the Stapled Securityholders do not have the right to appoint directors, at least half the Trustee-Manager Board shall comprise independent directors; (iv) In respect of matters in which a Trustee-Manager 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 Trustee-Manager Directors and must exclude such interested director;

No.	Nature of disclosure	Disclosure
		(v) In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, for example, in matters relating to; (A) potential acquisitions of additional properties or property-related investments by EH-BT in competition with the Sponsor; and/or (B) competition for tenants, hotel management operators and Hotel Franchisors between properties owned by EH-BT and properties owned by the Sponsor, any nominees appointed by the Sponsor and/or its subsidiaries to the Trustee-Manager Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the independent Trustee-Manager directors and must exclude nominee directors of the Sponsor and/or its subsidiaries; (vi) Where matters concerning EH-BT relate to transactions entered into or to be entered into by the Trustee-Manager for and on behalf of EH-BT with a Related Party of the Trustee-Manager (which would include relevant associates thereof) or the EH-BT, the Trustee-Manager Board 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 Stapled Securityholders and are in compliance with all applicable requirements of the Listing Manual and the Business Trusts Act, Chapter 31A of Singapore ("**BTA**") relating to the transaction in question. If the Trustee-Manager is to sign any contract with a Related Party of the Trustee-Manager or EH-BT, the Trustee-Manager will review the contract to ensure that it complies with the provisions of the Listing Manual and the BTA relating to Interested Person Transactions (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;

No.	Nature of disclosure	Disclosure
		(vii) Save as to resolutions relating to the removal of the Trustee-Manager, the Trustee-Manager and its associates are prohibited from voting or being counted as part of a quorum for a meeting of the Stapled Securityholders convened to approve any matter in which the Trustee-Manager and/or any of its associates has an interest, and for so long as the Trustee-Manager is the manager of the EH-BT, the controlling shareholders (as defined in the Listing Manual) of the Trustee-Manager and of any of its associates are prohibited from voting or being counted as part of a quorum for any meeting of the Stapled Securityholders convened to consider a matter in respect of which the relevant controlling shareholders of the Trustee-Manager and/or any of its associates have an interest; and (viii) It is also provided in the EH-BT Trust Deed that if the 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 Trustee-Manager for and on behalf of EH-BT with a Related Party of the Trustee-Manager, the Trustee-Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee-Manager) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee-Manager, on behalf of the EH-BT, has a *prima facie* case against the party allegedly in breach under such agreement, the Trustee-Manager shall be obliged to take appropriate action in relation to such agreement. The Trustee-Manager Directors (including the independent directors) will have a duty to ensure that the Trustee-Manager so complies. It should be noted that under Section 6(3) of the BTA, the Trustee-Manager is prohibited from carrying on any business other than the management and operation of EH-BT as its trustee-manager.
21.	Description of any safe-keeping function delegated by the AIF's depositary, the identity of the delegate(s) and any conflicts of interest that may arise from such delegation(s).	This is not applicable as EH-REIT and EH-BT are not obliged to appoint a depositary within the meaning of the AIFMD. Please also see paragraph 16 above.

No.	Nature of disclosure	Disclosure
Article 23(1)(g)		
22.	Description of the AIF's valuation procedure.	Paragraph 8.1 of the Property Funds Appendix requires EH-REIT to conduct a full valuation of its real estate assets at least once per financial year, in accordance with any applicable code of practice for such valuations. Generally, where the Managers propose to issue new Stapled Securities for subscription (except in the case where new Stapled Securities are being issued in payment of the Managers' management fees) or to redeem existing Stapled Securities and EHT-REIT's real estate assets were valued more than six months ago, the REIT Manager should exercise discretion in deciding whether to conduct a desktop valuation of the real estate assets, especially when market conditions indicate that real estate values have changed materially. The REIT Manager or the REIT Trustee may at any other time arrange for the valuation of any of the real properties held by EH-REIT if it is of the opinion that it is in the best interest of Stapled Securityholders to do so. EH-REIT engages independent professional valuers with the appropriate professional qualifications and recent experience in the location and category of the properties being valued.
23.	Description of the AIF's pricing methodology for valuing assets (including the methods used in valuing hard-to-value assets).	In accordance with its accounting policy, EHT-REIT's investment properties are stated at fair values as at the reporting date. EHT-REIT engages independent professional valuers with the appropriate professional qualifications and recent experience in the location and category of the properties being valued to determine the fair value of its properties. The fair value of EH-REIT's properties are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably, prudently and without compulsion, and are determined by independent real estate valuation experts using approved valuation methodologies which may involve, among others, certain estimates including those relating to discounted cash flow approach and direct sales comparison, which are unobservable. The valuation methods involve certain estimates. The key assumptions used to determine the fair value of investment properties include discount rate, terminal yield and valuation per key. In relying on the valuation reports, the REIT Manager has exercised its judgment and is satisfied that the valuation methods and estimates are reflective of current market conditions and that the valuation reports are prepared in accordance with recognised appraisal and valuation standards.

No.	Nature of disclosure	Disclosure
		The independent valuations of the Hotels in the Initial Portfolio as at 31 December 2018 undertaken by Colliers and HVS were based on the discounted cash flow method and the direct sales comparison method in arriving at the open market value as at 31 December 2018. EH-BT is currently dormant and does not hold any assets.
Article 23(1)(h)		
24.	Description of the AIF's liquidity risk management (including redemption rights in normal and exceptional circumstances and existing redemption arrangements with investors).	Liquidity risk is the risk that EH-REIT, EH-BT and their subsidiaries will encounter difficulty in meeting the obligations associated with their financial liabilities that are settled by delivering cash or another financial asset. The Managers will monitor and maintain sufficient cash and credit facilities on demand to meet expected operational expenses for a reasonable period including the servicing of financial obligations. In addition, the REIT Manager will monitor and observe the limitations imposed by the Property Funds Appendix on EH-REIT's aggregate leverage. For so long as the Stapled Securities are listed and traded on the SGX-ST, the Stapled Securityholders have no right to request the Managers to repurchase or redeem their Stapled Securities. Stapled Securityholders may only deal in their listed Units through trading on the SGX-ST.
Article 23(1)(i)		
25.	Description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors.	Please refer to the section entitled "Overview – The Structure of EHT – Certain Fees and Charges" of this Prospectus.
Article 23(1)(j)		
26.	Description of how the AIFM ensures a fair treatment of investors and details of any preferential treatment received by investors (including where the right to obtain preferential treatment exists, a description of that preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the AIF or AIFM).	No unfair or preferential treatment is afforded to any Stapled Securityholder. Under the EH-REIT Trust Deed, the EH-BT Trust Deed and the Stapling Deed, every Stapled Security carries the same voting rights. Each of EH-REIT and EH-BT has only issued one class of units, and as a result all Stapled Securityholders will be treated equally with respect to both EH-REIT and EH-BT.

No.	Nature of disclosure	Disclosure
		The EH-REIT Trust Deed, the EH-BT Trust Deed and the Stapling Deed provide that in relation to any rights issue, the Managers may, in their absolute discretion, elect not to extend an offer of Stapled Securities under a rights issue to those Stapled Securityholders whose addresses, as registered with CDP, are outside Singapore. In such event, the rights or entitlements to the Stapled Securities of such Stapled Securityholders will be offered for sale by the Managers, and the proceeds of any such sale if successful will be paid to the relevant Stapled Securityholders. See the risk factor entitled "Risk Factors – Risks Relating to an Investment in the Stapled Securities – Foreign Stapled Securityholders may not be permitted to participate in future rights issues and preferential offerings by EHT" in this Prospectus.
Article 23(1)(k)		
27.	The latest annual report prepared for the AIF (to include, at a minimum: (i) a balance sheet or statement of assets and liabilities; (ii) any income and expenditure report for the financial year; (iii) a report on the activities of the financial year; (iv) any material changes in Article 23 disclosures during the financial year covered by the report; (v) the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM to its staff, and number of beneficiaries, and, where relevant, carried interest paid by the AIF; and (vi) the aggregate amount of remuneration broken down by senior management and members of staff of the AIFM whose actions have a material impact on the risk profile of the AIF).	This is not applicable as EHT has yet to issue its first annual report.

No.	Nature of disclosure	Disclosure
Article 23(1)(l)		
28.	The procedure and conditions for the issue and sale of units or shares.	Pursuant to the Stapling Deed, the Managers shall have the joint exclusive right to issue Stapled Securities. The issuance of any Stapled Securities by the Manager must be in compliance with the EH-REIT Trust Deed, the EH-BT Trust Deed and the Stapling Deed, which sets out among others the requirements in relation to the issue price of Stapled Securities. Stapled Securityholders have no right to request the REIT Manager or the Trustee-Manager to redeem their Stapled Securities while the Stapled Securities are listed on the SGX-ST. Stapled Securityholders may only deal in their listed 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.
Article 23(1)(m)		
29.	The latest net asset value of the AIF or the latest market price of the unit or share of the AIF, calculated in accordance with the law of the country where the AIF is established.	As at the Latest Practicable Date, EH-REIT does not hold any assets as it will only acquire the Initial Portfolio immediately prior to Listing. EH-BT is dormant and does not hold any assets as at the Latest Practicable Date. The pro forma NAV per Stapled Security as at the Listing Date is US$0.88, after giving effect to the issue of 580,558,000 new Stapled Securities in connection with the Offering (based on the Offering Price). Upon the listing of EHT on the SGX-ST, the unit price will be publicly available on the SGX-ST website, EHT's corporate website, and from financial information vendors.
Article 23(1)(n)		
30.	Details of the historical performance of the AIF (where available).	As EH-REIT and EH-BT were constituted and stapled on 11 April 2019, and EH-REIT will only complete the acquisition of the Initial Portfolio on or around the Listing Date, there is no meaningful historical performance track record of EHT.

No.	Nature of disclosure	Disclosure
		However, please refer to the unaudited pro forma consolidated financial information can be found in the section entitled "Unaudited Pro Forma Consolidated Financial Information" of this Prospectus. The unaudited pro forma consolidated statements of comprehensive income for the years ended 31 December 2016, 2017 and 2018 and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2018 of EH-REIT and its subsidiaries as disclosed in this Prospectus only relate to the USHI Portfolio and do not include the pro forma financial results and cash flows arising from the ASAP6 Portfolio as the Managers do not have the historical financial information of the ASAP6 Portfolio for the aforementioned three years. No pro forma financial information of EH-BT has been presented as it has been will be dormant since its establishment.
Article 23(1)(o)		
31.	The identity of the prime broker.	This is not applicable as EHT is not obliged to appoint prime brokers within the meaning of the AIFMD.
32.	Description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed.	This is not applicable as EHT is not obliged to appoint prime brokers within the meaning of the AIFMD.
33.	Details of the provision in the contract with the AIF's depositary on the possibility of transfer and reuse of AIF assets.	This is not applicable as EHT is not obliged to appoint a depositary within the meaning of the AIFMD.
34.	Information about any transfer of liability to the prime broker that may exist.	This is not applicable as EHT is not obliged to appoint prime brokers within the meaning of the AIFMD.
Article 23(1)(p)		
35.	Details of how and when the AIFM will provide reports on the following topics to its investors in relation to each EU AIF that it manages and each AIF that it markets within the EU: (i) the percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature;	The Managers will make the relevant announcements via SGXNET in the event that there is material information on these topics to be disclosed in accordance with the prevailing listing rules of the SGX-ST and such announcements are accessible via the SGX-ST's website. Such announcements will also be published on EHT's corporate website and will be publicly available to all investors.

No.	Nature of disclosure	Disclosure
	(ii) any new arrangements for managing the liquidity of the AIF; and (iii) the current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks.	
36.	Details of how and when the AIFM will (when managing EU AIFs employing leverage or marketing in the EU AIFs employing leverage) will disclose, for each AIF, on a regular basis: (i) any changes to the maximum level of leverage which the AIFM may employ on behalf of the AIF as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement; and (ii) the total amount of leverage employed by that AIF.	The Managers will make periodic disclosures about EH-REIT's and EH-BT's aggregate leverage, where applicable, during the quarterly financial reporting of EHT, and such information will be made available to investors via the announcements released on SGXNET or the published annual reports. Please refer to the disclosure in paragraph 10 above on the permitted maximum level of leverage as stated in the Property Funds Appendix which is applicable to EH-REIT. Any changes to the Property Funds Appendix (as far as maximum level of leverage is concerned) may be communicated by way of publication of notices on the MAS website which can be found at http://www.mas.gov.sg/. The expected leverage ratio of EH-REIT as at the Listing Date determined in accordance with: (a) the Property Funds Appendix is 38.0%; (b) the gross method under the AIFMD is 58.4%; and (c) the commitment method under the AIFMD is 66.3%. EH-BT is dormant since its establishment and will not have any leverage as at the Listing Date. The leverage ratio under the Property Funds Appendix is calculated using total borrowings divided by deposited property (which is total assets), while the leverage ratios under the gross and commitment methods under the AIFMD are calculated using the components of these methods to determine EH-REIT's exposure divided by net assets.

No.	Nature of disclosure	Disclosure
		No historical financial statement of EHT has been prepared or disclosed in this Prospectus. As the capital structure of EHT will be significantly changed as a result of the Offering, it is immaterial to show any leverage figures prior to the Listing. Therefore, the leverage ratios disclosed above are determined by the management of the Managers which would have taken into account the Offering and loan facilities which will be drawn down on or around the Listing Date and will be more meaningful to investors investing in EHT. Changes to the total amount of leverage calculated based on the above will be publicly disclosed by EHT on a quarterly basis in its quarterly results announcements on the SGXNET.

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