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EAGLE HOSPITALITY TRUST

Comprising:

EAGLE HOSPITALITY REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 11 April 2019 under the laws of the Republic of Singapore)

managed by

Eagle Hospitality REIT Management Pte. Ltd.

EAGLE HOSPITALITY BUSINESS TRUST

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

managed by

Eagle Hospitality Business Trust Management Pte. Ltd.

CLARIFICATION IN RELATION TO RECENT MEDIA ARTICLES

Eagle Hospitality REIT Management Pte. Ltd., as manager (the “**REIT Manager**”) of Eagle Hospitality Real Estate Investment Trust (“**EH-REIT**”), and Eagle Hospitality Business Trust Management Pte. Ltd., as trustee-manager (the “**Trustee-Manager**”, collectively with the REIT Manager, the “**Managers**”) of Eagle Hospitality Business Trust (“**EH-BT**”), refer to recent media articles regarding EH-REIT.

In an article from The Business Times entitled “Eagle Hospitality Trust units hit fresh low as investors take flight” published on 5 November 2019 (“**The BT Article**”), it was stated that “EHT also told the SGX that the Yuans were introduced to Urban Commons by the IPO placement agents, although ASAP’s website suggests otherwise.” The REIT Manager would like to clarify that this statement, which suggested a negative connotation to EH-REIT, is factually incorrect.

The actual response by the REIT Manager to SGX, which was announced on 2 November 2019 is as follows: “Mr Frank Yuan, Mr Norbert Yuan and Mr Jerome Yuan were introduced by the Sponsor to the placement agents during the bookbuilding process for the IPO and subscribed for Stapled Securities in the placement tranche at the IPO price of US\$0.78 per Stapled Security as part of a bookbuilding process by the placement agents.”

To The Business Times’ credit, as soon as the REIT Manager informed The Business Times of the error, they promptly corrected the article and apologised for the error.

DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Eagle Hospitality Trust (“**EHT**”).

Separately, the REIT Manager would also like to clarify certain information which was put forth in The Edge's article entitled "Closer look at EHT's portfolio following Nov 2 replies to SGX" published on 3 November 2019 ("**The Edge Article**").

By way of background, 6 assets in EH-REIT's 18-asset portfolio acquired at the IPO are referred to in Eagle Hospitality Trust's prospectus dated 16 May 2019 ("**Prospectus**") as the ASAP6 Portfolio.

The Edge purported a deviation between: (1) the price at which EH-REIT acquired 3 assets within the ASAP6 Portfolio from Urban Commons (the "**Referenced Assets**")¹, and (2) the price that ASAP International Holdings ("**ASAP**") originally paid for said assets (on average, 2.5 years ago in private transactions).

While ASAP's original purchase prices for assets comprising the ASAP6 Portfolio have not been disclosed and are not known to the REIT Manager, the REIT Manager calls into question the values reported in The Edge Article, which we believe reflect the mortgage amounts at the time ASAP originally acquired certain of the Referenced Assets (and not the actual purchase prices). In this situation, the alleged purchase prices would not reflect the equity components of these transactions, thereby underestimating ASAP's original purchase prices.

In addition, the REIT Manager does not think that the valuation comparisons made are representative, as it does not take into consideration: (1) a meaningful time lapse (again, approximately 2.5 years on average) since ASAP originally acquired the Referenced Assets, and (2) the significant capital invested and reserved since ASAP's original acquisitions. As disclosed in the Prospectus, with respect to the Referenced Assets, approximately US\$22.4 million² was invested and reserved since ASAP's original acquisitions.

Further, the REIT Manager would also like to highlight that the ASAP6 Portfolio has been valued by two independent valuers in connection with the IPO and that each of the 6 assets of the ASAP6 Portfolio were injected into EH-REIT at a discount of at least 12% to their adopted valuation as of 31 December 2018.

The REIT Manager would also like to correct the following inaccurate statement made in The Edge Article: "While it is clear that the City owns the Queen Mary, it is not clear whether Urban Commons received permission to sublet the ship to EHT for US\$139.5 million. In the event of default, the ship – presumably – reverts to the City."

This statement is incorrect in 2 primary ways: (1) as clearly articulated in the Prospectus, EH-REIT owns the leasehold interest to Queen Mary which it acquired at the time of the IPO (EH-REIT does not lease the ship from Urban Commons, but rather EH-REIT sub-leases the Queen Mary to Urban Commons with the express consent of the City of Long Beach), and (2) as referenced in the REIT Manager's SGX responses on 28 October 2019 to clarify, in part, The Edge's original article dated 23 October 2019 – in the event of a default by Urban Commons to make required repairs at the Queen Mary, EH-REIT reserves the right to cure the default and make the repairs itself at Urban Commons expense and/or to terminate the existing master lease and enter into a new master lease with a third party.

¹ Refers to the following assets – Renaissance Woodbridge; Doubletree by Hilton Salt Lake City Airport; Crowne Plaza Dallas Near Galleria-Addison

² Reflects the following capital expenditure and capital reserved – Renaissance Woodbridge: US\$6.3m spent; Doubletree by Hilton Salt Lake City Airport: US\$8.1m (including US\$7.6m spent and US\$0.5m reserved); Crowne Plaza Dallas Near Galleria-Addison: US\$8.0m (including US\$3.5m spent and US\$4.5m reserved)

Lastly, the REIT Manager also wishes to dispel a rumour reported in The Edge Article: there is no strategic review underway nor has any consideration of a strategic review been discussed with the Board.

In closing, the Board would like to highlight the following:

1. The portfolio is backed by master lease agreements for each asset comprising EH-REIT's portfolio. Such master lease arrangements are typical for hospitality REITs listed on the SGX and are meant to enhance the stability of cash flow from the underlying hotel operations and provide a floor to protect investors from downside risk. The master leases in EH-REIT's 18-asset portfolio were designed based on each asset's respective income productivity.
2. The income productivity of EH-REIT's portfolio benefits from leading global hotel franchisors³ with the largest guest loyalty programmes and top independent hotel property management companies.
3. With regards to The Queen Mary, the Board stands by what was previously disclosed in the Prospectus and the REIT Manager's announcements released on SGXNET, including previous clarifications to referenced media articles.
4. EH-REIT has been listed for less than 6 months on the Main Board of SGX. Prior to IPO, its portfolio underwent substantial due diligence conducted by competent and experienced professionals, including DBS Bank Ltd. as Issue Manager and other Global Coordinators.
5. To reiterate, EH-REIT's portfolio is supported by valuations from two reputable independent valuers.

EH-REIT will be releasing its 3Q FY2019 results on 13 November 2019 after market close.

For and on behalf of the Board

Salvatore Gregory Takoushian
Executive Director and Chief Executive Officer

Eagle Hospitality REIT Management Pte. Ltd.
(Company Registration No.: 201829789W)
as manager of Eagle Hospitality Real Estate Investment Trust

Eagle Hospitality Business Trust Management Pte. Ltd.
(Company Registration No.: 201829816K)
as trustee-manager of Eagle Hospitality Business Trust

6 November 2019

³ 17 of 18 assets are franchised by Marriot/Starwood, Hilton or IHG. Note: The Queen Mary is the only asset not subjected to a franchise agreement.

IMPORTANT NOTICE

This announcement is for information only and does not constitute an offer of, or invitation to subscribe or purchase or solicitation of subscriptions or purchases of stapled securities in EHT (comprising units in EH-REIT and units in EH-BT) ("**Stapled Securities**") in any jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment or any investment decision whatsoever.

The value of the Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the REIT Manager, the Trustee-Manager, DBS Trustee Limited (as trustee of EH-REIT), Urban Commons, LLC (as sponsor of EHT) or any of their respective affiliates, advisers or representatives.

An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Holders of Stapled Securities ("**Stapled Securityholders**") have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of EHT. The forecast financial performance of EHT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view of future events.

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