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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.

Update Announcement – Appointment of Chief Restructuring Officers and other Updates

1. Introduction

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**”) wish to provide an update to stapled securityholders (“**Stapled Securityholders**”).

References are made to (a) the prospectus of EHT dated 16 May 2019 (the “**Prospectus**”); (b) the announcement “Business Strategic Review and Update” dated 19 March 2020 (the “**19 March 2020 Announcement**”); and (c) the announcement “Request For Voluntary Trading Suspension” dated 24 March 2020 (the “**24 March 2020 Announcement**”); (d) the announcement “Update Announcement – Special Committee Established” dated 1 April 2020 (the “**1 April 2020 Announcement**”) and (e) the joint statement by the Monetary Authority of Singapore (the “**MAS**”) and the Singapore Exchange Regulation (the “**SGX RegCo**”) dated 20 April 2020 (the “**Joint Statement**”).

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings as given to them in the Prospectus, the 19 March 2020 Announcement, the 24 March 2020 Announcement and the 1 April 2020 Announcement (as the context requires).

DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Eagle Hospitality Trust.
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2. Appointment of Chief Restructuring Officers

The Managers wish to update Stapled Securityholders that the Managers and DBS Trustee Limited (in its capacity as trustee of EH-REIT) ("**REIT Trustee**"), for EHT and its corporate entities, have appointed FTI Consulting, Inc. ("**FTI Consulting**") to assist in the restructuring process of EHT. FTI Consulting is a leading independent global business advisory firm listed on the New York Stock Exchange with over 100 offices across the United States and the rest of the world, including Singapore. As part of FTI Consulting's appointment, Mr. Alan Tantleff and Mr. Nicholas Gronow from FTI Consulting have been appointed as the joint chief restructuring officers (the "**Chief Restructuring Officers**") of the Managers covering both the United States and Singapore, respectively. FTI Consulting will be assisting EHT, amongst others, with:

- (a) continuing negotiations with the Lenders with a view to restructuring the relevant facilities;
- (b) evaluation of the appropriate strategies to be undertaken to preserve the value of the property portfolio of EHT for the benefit of the Stapled Securityholders, particularly amidst the COVID-19 pandemic, and having regard to the Master Lessees' defaults under the HMA Default Notices as well as the HMA Termination Notices (both as elaborated below);
- (c) evaluation of the current MLAs and the terms and conditions of the MLAs, including having regard to the HMA Notices referred to below, and the appropriate course of action to be taken;
- (d) evaluation of income, expenses, cash and profitability at the Master Lessee level, to determine the viability of the MLAs; and
- (e) evaluation of the unpaid rent by the Master Lessees to EHT and the impact on the property portfolio of the further defaults by the Master Lessees in relation to the HMA Default Notices and the potential termination of the HMAs (as defined below) in relation to the HMA Termination Notices.

3. Joint Statement by MAS and SGX RegCo

Further to the issuance of the Joint Statement by the MAS and the SGX RegCo on 20 April 2020, the Managers and the REIT Trustee wish to inform Stapled Securityholders that the REIT Manager and the REIT Trustee have been and will continue to work together to implement further and enhanced measures over accounts and payment processes in compliance with the MAS' directive. The Managers also wish to inform Stapled Securityholders that the REIT Manager is reaching out to the shareholders of the REIT Manager to comply with the MAS' directive to restore the REIT Manager's minimum base capital and financial resources in accordance with regulatory requirements.

4. Discussions with Administrative Agent and Lenders

As set out in the 1 April 2020 Announcement, a temporary forbearance has been granted by the Administrative Agent and the Lenders to allow for discussions with a view to achieving a longer-term forbearance arrangement, including a consensual strategy moving forward. The Managers, with the assistance of the Chief Restructuring Officers, continue to be engaging the Administrative Agent and the Lenders actively in these discussions and will update as and when able.

5. Receipt of Notices of Default and Notices of Termination under the Respective Hotel Management Agreements

- 5.1 The Managers and the REIT Trustee have been informed that the following Master Lessees have received notices of default from the relevant hotel managers for defaults by such Master Lessees

under the respective Hotel Management Agreements (“**HMA**s”) as a result of, *inter alia*, the Master Lessees’ failure to provide and/or maintain sufficient working capital for the hotels’ operations, and additional defaults resulting from the failure to pay management fees and/or failure to make funds available for the payment of hotel operating expenses (collectively, the “**HMA Default Notices**”):

- (a) EHT CDPCT, LLC in respect of Sheraton Pasadena;
- (b) EHT HIA, LLC in respect of Holiday Inn Hotel & Suites Anaheim;
- (c) EHT ESAN, LLC in respect of Embassy Suites by Hilton Anaheim North;
- (d) EHT HISM, LLC in respect of Holiday Inn Hotel & Suites San Mateo;
- (e) EHT FPSJ, LLC in respect of Four Points by Sheraton San Jose Airport;
- (f) EHT WSAC, LLC in respect of The Westin Sacramento;
- (g) EHT HHG, LLC in respect of Hilton Houston Galleria Area;
- (h) EHT ESPD, LLC in respect of Embassy Suites by Hilton Palm Desert;
- (i) EHT QMLB, LLC in respect of The Queen Mary Long Beach;
- (j) EHT RDH, LLC in respect of Renaissance Denver Stapleton;
- (k) EHT HIDH, LLC in respect of Holiday Inn Denver East – Stapleton;
- (l) EHT SDTC, LLC in respect of Sheraton Denver Tech Center;
- (m) EHT HIOR, LLC in respect of Holiday Inn Resort Orlando Suites – Waterpark;
- (n) EHT CPDCT, LLC in respect of Crowne Plaza Danbury;
- (o) EHT DHSLC, LLC in respect of Doubletree by Hilton Salt Lake City Airport; and
- (p) EHT HAN, LLC in respect of Hilton Atlanta Northeast.

5.2 In addition, the Managers and the REIT Trustee have also been informed that the following Master Lessees have received notices of termination dated 16 April 2020 from the relevant hotel managers under the respective HMAs as a result of the Master Lessees’ failure to cure its default of maintaining sufficient working capital for the hotels’ operations (collectively, the “**HMA Termination Notices**” and together with the HMA Default Notices, the “**HMA Notices**”):

- (a) EHT FPSJ, LLC in respect of Four Points by Sheraton San Jose Airport;
- (b) EHT CPDCT, LLC in respect of Crowne Plaza Danbury;
- (c) EHT HHG, LLC in respect of Hilton Houston Galleria Area;
- (d) EHT ESPD, LLC in respect of Embassy Suites by Hilton Palm Desert; and
- (e) EHT DHSLC, LLC in respect of Doubletree by Hilton Salt Lake City Airport.

Pursuant to the HMA Termination Notices, the relevant hotel managers will terminate the respective HMAs if such Master Lessees do not cure the defaults under the HMAs within the applicable cure periods as stated in the HMA Notices.

5.3 The Managers are confident that the inherent value of the properties in EHT’s portfolio are not significantly affected by such alleged defaults by the Master Lessees, and the Managers are working hard towards preserving the value of the properties in these difficult circumstances.

- 5.4 The alleged defaults under the HMA Default Notices, if true, would in turn also constitute a breach of the respective MLAs by the Master Lessees. The Managers and the REIT Trustee, with the assistance of the Chief Restructuring Officers and legal counsels, are in the midst of assessing the impact of the alleged defaults, as well as the COVID-19 outbreak in the United States on the operations of the underlying properties, and the appropriate steps to be taken to manage and minimise the consequent risks. For the foregoing reasons, it is too early to ascertain the full financial impact on EHT and the Managers will provide further updates if there are material developments. In the meantime, all rights of the Master Lessors against the Master Lessees under the MLAs are reserved and the Master Lessees remain obliged to fulfil their obligations under the MLAs. As mentioned in the 24 March 2020 Announcement, the Managers are also in the process of assessing the appropriateness of the MLA structure as part of the Strategic Review and will take into account the content of the HMA Notices and the financial soundness of the Master Lessees as part of its deliberations.

6. Receipt of Notice of Default and Demand for Payment under the DW Mortgage Loan

- 6.1 On 18 April 2020, the Managers received a notice of default and demand for payment (the “**DW Notice**”) in relation to the mortgage loan dated 21 May 2019 in respect of the Delta Woodbridge with a principal amount of US\$35.0 million (the “**DW Mortgage Loan**”) issued by Wells Fargo, National Association (“**Wells Fargo**”). The DW Notice identifies multiple events of default under the DW Mortgage Loan, including the non-payment by the borrower (being one of EH-REIT’s subsidiaries) of the following sums for the month of March 2020 which were due on 1 April 2020: (a) the monthly interest accrued on the loan and the respective principal amount of the loan; (b) the monthly real estate tax deposit; and (c) the monthly deposit for the costs and expenses of replacement and maintenance of furniture, furnishings and fixtures at the Delta Woodbridge.
- 6.2 With respect to the payment default referenced in Section 6.1 above, the DW Notice states that Wells Fargo’s rights and remedies include, (a) the right to declare the outstanding principal amount under the DW Mortgage Loan (together with all interest accrued and unpaid thereon and all other sums due) immediately due and payable; (b) the right to cause the loan to bear interest at the default rate; and (c) the right to foreclose on the collateral. The DW Notice further indicates that Wells Fargo has exercised its right to cause the loan to bear interest at the default rate calculated from 1 April 2020 (being the date that the outstanding sum were due) and demanded for payment in full of all amounts currently due and payable under the loan.
- 6.3 As part of the Strategic Review, the Managers, with the assistance of the Chief Restructuring Officers and legal counsels, are in the process of assessing the implications of the DW Notice and have been engaging in discussions with Wells Fargo.

Stapled Securityholders are advised to read this Announcement and any further announcements by the Managers carefully. There is no certainty or assurance as at the date of this Announcement that any discussions or prospects will be successfully concluded or any definitive agreements in relation to any transactions will be entered into (including whether there will be any satisfactory resolution with the Master Lessees, hotel operators and/or EHT’s lenders). Stapled Securityholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

For Strategic Review and related matters, please contact:

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

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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

Date: 24 April 2020

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