

**NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, EUROPEAN ECONOMIC AREA, CANADA, JAPAN, AUSTRALIA OR ANY OTHER JURISDICTION OUTSIDE SINGAPORE.**

This announcement is not for release, publication or distribution, directly or indirectly, in or into the United States of America (“**United States**”), European Economic Area, Canada, Japan or Australia. This announcement is not an offer of securities for sale in the United States, European Economic Area, Canada, Japan, Australia or any other jurisdiction. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold in the United States unless registered under the Securities Act, or pursuant to an applicable exemption from registration. There will be no public offering of any securities of Eagle Hospitality Trust, EH-REIT and/or EH-BT (each as defined herein) in the United States.



#### **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.**

---

#### **Announcement on Asset Valuation**

---

Pursuant to Rule 703 of the SGX Listing Manual, Eagle Hospitality REIT Management Pte. Ltd., as manager of Eagle Hospitality Real Estate Investment Trust (“**EH-REIT**”), and Eagle Hospitality Business Trust Management Pte. Ltd., as trustee-manager of Eagle Hospitality Business Trust (“**EH-BT**”, collectively with EH-REIT, “**EHT**”) (collectively, the “**Managers**”), wish to announce that independent valuations for the properties of EHT have been commissioned and obtained as at 31 August 2020.

The appointed valuer is Colliers International Consultancy & Valuation (Singapore) Pte. Ltd. (“**Colliers**”). The independent valuations will be reflected in the financial statements of EHT for the financial period ended 30 September 2020.

The details of the valuations are as follows:

DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Eagle Hospitality Trust.
--

Property	Location	Valuation ("As Is") at 31 August 2020 (USD\$'000)	Valuation ("Upon Stabilisation") (USD\$'000)
Sheraton Pasadena	Pasadena, California	64,400	73,650
Holiday Inn Hotel & Suites Anaheim	Anaheim, California	43,800	49,600
Embassy Suites by Hilton Anaheim North	Anaheim, California	35,550	40,650
Holiday Inn Hotel & Suites San Mateo	San Mateo, California	40,100	50,800
Four Points by Sheraton San Jose Airport	San Jose, California	43,900	51,100
The Westin Sacramento	Sacramento, California	26,600	30,900
Embassy Suites by Hilton Palm Desert	Palm Desert, California	17,400	20,500
The Queen Mary Long Beach	Long Beach, California	88,950	108,100
Renaissance Denver Stapleton	Denver, Colorado	61,100	73,100
Holiday Inn Denver East – Stapleton	Denver, Colorado	30,700	36,900
Sheraton Denver Tech Center	Denver, Colorado	23,900	37,100
Holiday Inn Resort Orlando Suites – Waterpark	Orlando, Florida	91,200	106,700
Crowne Plaza Dallas Near Galleria – Addison	Dallas, Texas	18,600	39,200
Hilton Houston Galleria Area	Houston, Texas	24,800	33,000
Delta Hotels by Marriott Woodbridge	Woodbridge, New Jersey	37,600	51,000
Crowne Plaza Danbury	Danbury, Connecticut	5,200	9,300
Doubletree by Hilton Salt Lake City Airport	Salt Lake City, Utah	39,500	48,900
Hilton Atlanta Northeast	Atlanta, Georgia	33,600	39,100
<b>Total Portfolio</b>		<b>726,900<sup>(1)</sup></b>	<b>899,600<sup>(2)</sup></b>

Notes:

- (1) On a weighted average basis, this represents a 38.1% decrease from the valuation of EHT properties as at 31 December 2018 previously done by Colliers prior to the initial public offering of EHT, being US\$1,211,300,000.
- (2) Due to the impact of COVID-19, valuers in the United States have also provided Upon Stabilisation values to take into consideration prevailing unusual market circumstances. This is to address the issue whereby assets are not in distress but nevertheless whilst performance is impacted by wider economic, health and travel restrictions, leading to a short-term negative impact in value, owners are not being forced to sell at this time, and indeed are inclined to hold until market conditions improve together with pricing. Colliers has therefore included an Upon Stabilisation value for the EHT properties, in which the properties are valued as if they were operating at a fully stabilised level as of the date of Colliers' inspection, post-COVID. Stabilisation for the EHT properties is

anticipated in and around 2022 to 2024, and the values are stated as future values at US\$899.6m (US\$837.0m in today's values).

In particular, Colliers has set out the following significant qualifications and explanations in relation to the Upon Stabilisation valuation:

- (a) stabilisation does not imply a return to pre-COVID levels but that the property is achieving its fair market share and has reached its mature level of operation in a recovered market. Colliers noted that it is likely that markets will change post-COVID as demand patterns, business and consumer behaviour evolve and adapt to a post-COVID world, the outcome of which is still uncertain at this time;
- (b) the 2019 performance by hotels in the United States represented a record nine years of continuous Revenue Per Available Room growth, which is unlikely to be attainable again within a short period; and
- (c) even if stabilisation occurs, depending on location, investment yields and therefore values may take longer to recover due to the lag between investors gaining confidence and being willing to lower the risk premium required for that asset class. Colliers nevertheless was of the opinion that investment in the United States hospitality sector is likely to remain high given the desirability of the asset class and value will eventually recover.

On a weighted average basis, the Upon Stabilisation valuation represents a 23.8% decrease from the valuation of EHT properties as at 31 December 2018 previously done by Colliers prior to the initial public offering of EHT, being US\$1,211,300,000.

Given the known market conditions and anticipated performance of each hotel following discussions with the hotel property managers at that time, Colliers' valuation of EHT properties as at 31 December 2018 was US\$1,211,300,000 as set out in EHT's prospectus dated 16 May 2019. Colliers noted in its valuation report that the decrease from the valuation of EHT properties as at 31 December 2018 previously done by Colliers prior to the initial public offering of EHT is primarily due to, amongst others, the negative impact of COVID-19 on property operating metrics, which remains unprecedented and beyond what was witnessed during the global financial crisis, and in turn has also resulted in an increase in risk premium being demanded by investors in the hospitality sector. As such, coupled with significantly lower earnings projections and higher discount rates being applied, this has mainly led to a decline in the values between the 2018 and 2020 valuations, in addition to the removal of the master lease arrangements and the increase in capital expenditures required for a greater number of portfolio properties as compared to listing. Furthermore, Colliers remarked that the decrease by 38.1% (As Is) and 23.8% (Upon Stabilisation) respectively from the 2018 valuations remains well within the expected range cited by other industry experts as set out in the Colliers valuation report.

The valuation report for the properties above is available for inspection at the Managers' office (by prior appointment) at 8 Marina Boulevard, #11-15/17, Marina Bay Financial Centre Tower 1, Singapore 018981, during normal business hours for a period of three months from the date of this announcement.

**Stapled Securityholders are advised to read this Announcement and any further announcements by the Managers carefully. Stapled Securityholders should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.**

*For Strategic Review and related matters, please contact:*

Email: [boardsc@eagleht.com](mailto:boardsc@eagleht.com)

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

Contact Investor Relations  
Telephone: +65 6653 4434  
Email: [enquiry@eagleht.com](mailto:enquiry@eagleht.com)

Issued by:

**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: 6 November 2020

### **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 Eagle Hospitality Trust 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), the Sole Financial Adviser and Issue Manager, the Joint Global Coordinators and the Joint Bookrunners and Underwriters 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. 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 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.

This announcement is not an offer or sale of the Stapled Securities in the United States. The Stapled Securities have not been and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. Any public offering of the Stapled Securities in the United States would be made by means of a prospectus that would contain detailed information about EHT, EH-REIT, EH-BT, the Managers and their management, as well as financial statements. The Managers do not intend to conduct a public offering of the Stapled Securities in the United States. The Stapled Securities are being offered and sold outside the United States (including to institutional and other investors in Singapore) in reliance on Regulation S under the Securities Act.

This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of the Securities Act or the applicable laws of other jurisdictions.