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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 and Response to the SGX-ST's Queries

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**”, collectively with EH-REIT, “**EHT**”) wish to (a) announce the following in response to queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 6 April 2020 and (b) update stapled securityholders of EHT (the “**Stapled Securityholders**”) on the status of certain bank accounts of EH-REIT's subsidiaries and the Master Lessees that were provided as collateral under the Facilities Agreement.

The SGX-ST had also raised queries to DBS Trustee Limited (in its capacity as trustee of EH-REIT) (the “**REIT Trustee**”) set out below in paragraphs 2.2(d), 2.3(d) and (e), 2.4(b) and 2.5(c) (the “**REIT Trustee Queries**”) and the REIT Trustee's responses are referenced in paragraphs 2.2(iv), 2.3(iv) and (v), 2.4(b) (insofar as the responses therein relate to the REIT Trustee) and 2.5(iii) (insofar as the responses therein relate to the REIT Trustee) (the “**REIT Trustee Responses**”). Save for the REIT Trustee Responses, the REIT Trustee does not take any responsibility for the contents of this Announcement. Conversely, the Managers do not take any responsibility for the contents of the REIT Trustee Responses.

DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Eagle Hospitality Trust.
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References are made to (a) the prospectus of EHT dated 16 May 2019 (the “**Prospectus**”); (b) the announcement “Notice of Record Date and Distribution Payment Date” dated 17 February 2020 (the “**17 February 2020 Announcement**”); (c) the announcement “Business Strategic Review and Update” dated 19 March 2020 (the “**19 March 2020 Announcement**”); (d) the announcement “Request for Voluntary Trading Suspension” dated 24 March 2020 (the “**24 March 2020 Announcement**”); and (e) the announcement “Update Announcement – Special Committee Established” dated 1 April 2020 (the “**1 April 2020 Announcement**”).

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings as given to them in the Prospectus, the 17 February 2020 Announcement, the 19 March 2020 Announcement, the 24 March 2020 Announcement and the 1 April 2020 Announcement (as the context requires).

2. QUERIES FROM THE SGX-ST

2.1 Introduction

The Managers would like to take the opportunity to provide the Stapled Securityholders with some background and historical context relating to the matters surrounding the developments pertaining to the Security Deposits (the “**SDs**”) and the subsequent delinquencies in rent payment that took place in recent months of 2020. After the initial public offering, the Managers intended to develop a long-term landlord-tenant working relationship with the Sponsor and the Master Lessees and in that context, had sought to work constructively with the Sponsor and the Master Lessees in respect of issues which arose during the initial months. The Master Lease Agreements (the “**MLAs**”) with their fixed rent components were considered an essential feature of the structure of EHT as set out in the Prospectus, and maintaining these MLAs were, in the Managers’ good faith determination at the relevant times, in the interests of the Stapled Securityholders. It is with this consideration in mind that the Managers proceeded with their respective decisions on the issues as described below.

2.2 Query 1:

With reference to the disclosure on Page 404 of the Prospectus that “*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*”, please explain whether the REIT Manager gave approvals for the Master Lessees not to obtain the letters of credit (the “**LoCs**”) and the counter-standby LoCs from UBS AG, Singapore Branch, for the outstanding amounts of the SDs. If so, please explain:

- (a) whether the cure period to satisfy payment of the balance of the SDs is provided for under the terms of the MLAs;
- (b) the reason(s) for the REIT Manager approving the dispensation for these LoCs to be provided “*on or around the Listing Date*” as stated in the Prospectus and/or to extend the due date for the provision of the SDs;
- (c) the authority by which the REIT Manager gave these approvals and/or extension and whether the REIT Manager had informed the REIT Trustee of the deviations of the payment terms of the SDs from the disclosures set out in the Prospectus and MLAs, and sought the REIT Trustee’s consent for the deviation of the payment terms of the SDs, including for the dispensation for the LoCs to be provided on or around the Listing Date and/or to extend the due date for the provision of the SDs; and
- (d) the factor(s) considered by REIT Trustee when granting such consent, including whether the financial resources of the Sponsor/Master Lessees were assessed, and whether such deviations were in the best interest of the Stapled Securityholders.

Response:

(i) Cure period to satisfy payment of the balance of the SDs under the MLAs.

The applicable provision in respect of a breach of the obligation to furnish the balance of the SDs under the MLAs provide for a cure period of up to 180 days after the provision of a notice of breach of the MLAs from the Master Lessors to the Master Lessees (the “**Cure Period**”). During the Cure Period, if the Master Lessees proceed promptly and with due diligence to cure the above breach, the above breach shall not be deemed to be an event of default. If the Master Lessees do not proceed promptly and with due diligence to cure the above breach, then the above breach would have constituted an event of default for which the Master Lessors may then exercise one or more remedies available to them at law or in equity, including but not limited to their right to terminate the MLAs by giving the Master Lessees not less than ten (10) days’ written notice of such termination.

(ii) Reason(s) for the Managers approving the dispensation for these LoCs to be provided “on or around the Listing Date” as stated in the Prospectus and/or to extend the due date for the provision of the SDs.

(iii) The authority by which the REIT Manager gave these approvals and/or extension and whether the REIT Manager had informed the REIT Trustee of the deviations of the payment terms of the SDs from the disclosures set out in the Prospectus and MLAs, and sought the REIT Trustee’s consent for the deviation of the payment terms of the SDs, including for the dispensation for the LoCs to be provided on or around the Listing Date and/or to extend the due date for the provision of the SDs.

Queries 2.2(ii) and (iii) are addressed together in the response below:

The Managers did not approve, and have not approved, the dispensation of the requirement for the Master Lessees to obtain the LoCs and the counter-standby LoCs from UBS AG, Singapore Branch. As elaborated upon below, the Managers were required to consider LoCs issued by a different issuer as a result of the Master Lessees’ failure to procure such LoCs from UBS AG, Singapore Branch.

The Managers had informed the Master Lessees that the LoCs were to be provided within 14 days of the Listing Date, in accordance with the terms of the MLAs.

On the Master Lessees’ own accord, the Master Lessees’ sought to secure LoCs from an alternative bank, upon which a submission was made in respect of a LoC shortly after the Listing Date for review by the Managers’ legal counsel.

Upon review, it was determined that the above draft did not satisfy the required criteria, and the Managers in accordance with its rights under the MLAs, notified the Master Lessees in a letter dated 24 June 2019 (the “**First Notice**”), of their failure to comply with the SDs requirement pursuant to the MLAs, for which the Master Lessees had up to 180 days to cure their failure to furnish the balance of the SDs as provided for under the terms and conditions of the MLAs.

During the course of the Cure Period, the Master Lessees instead sought to secure a LoC from Bank of the West (“**BOTW**”), a California banking corporation which is wholly owned by BNP Paribas and also an existing lender to EHT pursuant to the Facilities Agreement. To this end, BOTW provided a term sheet for a LoC to the Master Lessees on 22 July 2019, which was subject to approval of BOTW’s internal committee.

The Managers understood from the Master Lessees such approval process had suffered administrative delays on the part of BOTW, which were not attributable to credit issues. Subsequently, when the BOTW committee approval process was still underway, EHT was featured in adverse media reports which in turn, as the Managers understood it at that

time, then required BOTW to conduct additional due diligence, creating further delays in the obtaining of the approval for the grant of the LoC.

Throughout the course of the Cure Period, the Managers routinely followed up with the Master Lessees and consistently received assurances by the Master Lessees that the LoC would be forthcoming.

As the expiration date for the Cure Period approached in December 2019, the Master Lessees requested for an extension of the Cure Period and indicated that they fully expected to secure such approval by mid-February 2020.

In view of (a) the Master Lessees already having paid a substantial portion of the SDs in cash and the Master Lessees having been, at that time, making rental payments, and (b) the assurances provided by the Master Lessees that they would secure a LoC to be issued by BOTW, both the Audit and Risk Committee (the “**AC**”) and the Board of the REIT Manager agreed to an extension of 60 days and passed the respective resolutions accordingly (the “**First Extension**”). Mr. Howard Wu and Mr. Taylor Woods abstained in respect of the resolutions.

The Master Lessees had on 31 December 2019 received an approved and executed term sheet issued by BOTW for a LoC; although the process of issuance of the LoC itself would be subject to further documentation. On 30 January 2020, the Master Lessees further informed the Managers that respective counsels were working to finalise the documentation.

On 6 February 2020, the Master Lessees requested for a further extension on the basis that the documentation and finalisation of the LoC was still ongoing and required more time to be completed. On 14 February 2020, a further extension was granted to 8 June 2020 (the “**Second Extension**”). Both the AC and the Board of the REIT Manager agreed to the Second Extension and passed the respective resolutions accordingly. Mr. Howard Wu and Mr. Taylor Woods abstained in respect of the resolutions. The reasons for the grant of the Second Extension are, amongst others:

- (1) the Master Lessees having on 31 December 2019 received the approved and executed term sheet issued by BOTW for a LoC;
- (2) BOTW informing the Master Lessees on 13 February 2020 that it believed that the above further documentation process necessary to facilitate the issuance of the LoC could be completed so as to enable the issuance of the LoC within 30 days;
- (3) the Master Lessees agreeing, as a pre-condition to the Second Extension, to provide an additional US\$5.0 million in cash to be applied towards the SDs, increasing the aggregate SDs received and undrawn to approximately US\$28.7 million, representing 5.9 months of fixed rent; and
- (4) the repercussions of not granting the Second Extension which could have included a technical default under the Facilities Agreement which would likely have been more prejudicial to the interests of the Stapled Securityholders.

Furthermore, both the First Extension and the Second Extension were approved by the Administrative Agent and the Lenders, which included BOTW.

While there are no express provisions under the MLAs which provide for the granting of the First Extension and the Second Extension, for the reasons set out above, both the AC and the Board of the REIT Manager, at the relevant times, considered it in the best interests of EH-REIT to grant the First Extension and the Second Extension respectively.

(iv) The factor(s) considered by REIT Trustee when granting such consent, including whether the financial resources of the Sponsor/Master Lessees were assessed, and whether such deviations were in the best interest of the Stapled Securityholders.

While there are no express provisions under the MLAs which provide for the granting of the First Extension and the Second Extension, under the trust deed of EH-REIT, the REIT Trustee, acting pursuant to the recommendation of the REIT Manager, has the right to compromise with the Master Lessees. In considering whether to exercise the right to grant the First Extension and the Second Extension, the REIT Trustee considered the following factors:

- (1) EH-REIT was a new REIT and given that the REIT had 18 hotel assets located in multiple U.S. states, EH-REIT required time for the various teams to work out operational kinks;
- (2) the REIT Manager had indicated that it understood from the Master Lessees that the delay in obtaining the LoCs was driven by administrative delays on the part of the Third Party Financial Institution;
- (3) while there were delays in receiving the monthly fixed rent payments for 2019, such rent was eventually paid by the Master Lessees;
- (4) relevant waivers and consents were obtained from the Administrative Agent and the Lenders under the Facilities Agreement in respect of the First Extension and the Second Extension;
- (5) for the Second Extension, the Master Lessees had provided an additional US\$5.0 million in cash to be applied towards the SDs, increasing the aggregate SDs received and undrawn to approximately US\$28.7 million, representing 5.9 months of fixed rent; and
- (6) the REIT Manager's Board as well as the AC had considered and recommended the First Extension and the Second Extension.

The REIT Trustee also considered the repercussions of not granting the First Extension and Second Extension. Given the potential negative impact on EH-REIT's financials and operations if a default were to be called under the MLAs, the REIT Trustee granted its consent to the First Extension and Second Extension as it considered this to be in the best interests of EH-REIT and its unitholders.

The REIT Trustee did not consider the financial resources of the Master Lessees at the relevant times as the REIT Trustee's concerns were on preserving the MLAs, which were an essential feature of the structure of EHT as set out in the Prospectus.

Given that EH-REIT had been listed less than a year at the relevant time, the REIT Trustee's thought process was to grant the extensions to give EH-REIT some time and space to procure the Master Lessees' performance of and compliance with the MLAs through the operational controls and stringent monitoring. Accordingly, the REIT Trustee's intention was to do so with the benefit of proper planning and advice. Other factors such as the financial resources of the Master Lessees can then be properly considered in the context of assessing the mid to long term future of the MLAs.

2.3 Query 2:

It is stated in the 19 March 2020 Announcement that "*The Managers plan to draw down on the SDs to increase liquidity and remedy delinquencies in payments from the master lessees under the MLAs ... as sponsor of EHT, has indicated that there have been delays in certain third-*

party property-level receivables and referenced the impact of the Covid-19 pandemic, which caused shortfalls in payments to EHT". Please clarify whether:

- (a) the cure period to satisfy the payment of outstanding rental amounts under the MLAs is stated in the terms of the MLAs;
- (b) the Board (including the AC) and CEO of the REIT Manager had undertaken any checks on the performance of the underlying assets to assess if extension of time for the master lease payments was in the best interest of the Stapled Securityholders. If so, please disclose the actions that were taken to verify this and the basis for concluding that the delay in making the master lease payments was in the best interest of the Stapled Securityholders;
- (c) whether the AC had assessed and verified the reason(s) why the Master Lessee was unable to make the requisite payments to the REIT in a timely manner and provide the basis for the AC to be satisfied that the Master Lessee was able to fulfil its obligations to the REIT with the extension of time;
- (d) the REIT Manager had informed the REIT Trustee of the deviations of the payment terms of the master lease rental from the disclosures set out in the Prospectus and MLAs, and sought the REIT Trustee's consent for the deviations in the payment terms (including the delay in master lease payments) and if so, the authority by which the REIT Trustee gave such consents; and
- (e) the factor(s) considered by the REIT Trustee when giving such consents, including whether the financial resources of the Sponsor/Master Lessees were assessed, and whether such deviations were in the best interest of the stapled securityholders.

Response:

(i) Cure period for payment of outstanding rental amounts under the MLAs.

The MLAs provide for a five (5) business day grace period for the receipt of rent from the date on which it is due. After the grace period, the non-payment of rent will constitute an event of default under the MLA. If an event of default is continuing, the Master Lessors may then exercise one or more remedies available to them at law or in equity, including but not limited to their right to terminate the MLAs by giving the Master Lessees not less than ten (10) days' written notice of such termination.

(ii) The Managers did not agree to an extension of time for the master lease payments.

The Managers did not agree, and have not agreed, to an extension of time for payment of fixed rent for the months of January 2020 and February 2020, which were due and not paid in February 2020 and March 2020, respectively. 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.

The Managers engaged both the Sponsor and the Master Lessees actively in demands for the amounts due throughout January 2020 and February 2020. Both the Sponsor and the Master Lessees consistently reassured the Managers that the January 2020 and February 2020 rent would be imminently paid.

The Master Lessors had on 17 March 2020 sent a letter ("**MLAs Notice Letter**") to the Master Lessees reiterating the non-payment of rent pursuant to the MLAs and their intention to apply the SDs to satisfy payment of such overdue rent, whilst reserving all rights of the Master Lessors.

As the overdue rent was not received and in view of the impact of the Covid-19 pandemic, the Managers elevated the importance of the deficiency in the SDs to the Master Lessees

and provided details of such material developments to the Stapled Securityholders in the 19 March 2020 Announcement.

(iii) Assessment and verification as to why the Master Lessees were unable to make the requisite payments to EH-REIT and there was no grant of extension of time for the Master Lessees to make rent payments.

The Master Lessees indicated that there were delays in certain third-party property-level receivables and referenced the impact of the Covid-19 pandemic. The Master Lessees also noted that January, which is a seasonally weaker month, did not generate enough cash flow to satisfy the rent payment.

The Managers, based on information provided to them by the Master Lessees pursuant to the MLAs, have assessed that the portfolio performance for January 2020 was less than the rent due to be paid for that month and had also requested that the Master Lessees provide supplemental financial information. In addition, the Managers were in the process of assessing the ability of the Master Lessees to meet its rent obligations moving forward, including the extent of the impact of the Covid-19 pandemic on its ability to do so. To this end, as was also previously announced, external financial advisers will assist the Managers in this regard.

As a follow up to the MLAs Notice Letter, the Managers had on 1 April 2020 sent a letter to the Master Lessees to require that the Master Lessees provide additional financial information, including details to support the Master Lessees' assertions set out above.

The proposed drawings of the SDs would be an exercise of the Master Lessors' rights under the MLAs and not intended to be a waiver of the Master Lessees' obligations. All rights of the Master Lessors vis-à-vis the Master Lessees including in respect of rent payments are reserved and the Master Lessees remain obliged to fulfil their obligations under the MLAs.

(iv) No consent given by the REIT Trustee for the deviations in the payment terms of the master lease rental.

Not applicable. As mentioned above, the Managers did not agree to any deviations as regards the obligation of the Master Lessees to pay the outstanding rent due for the months of January 2020 and February 2020 under the MLAs and in turn, the REIT Trustee was not asked to and did not consent to any such deviations.

(v) No factors considered by the REIT Trustee for granting of consent for the deviation of the payment terms of the master lease rental as there was no such consent given.

As mentioned in paragraph 2.3(iv) above, the Managers and the REIT Trustee have not agreed or consented to any deviation from the payment terms of the outstanding MLA rent due for the months of January 2020 and February 2020 and all rights of the Master Lessors for rental defaults are reserved.

2.4 Query 3:

- (a) It is stated in Paragraph 3.1 of Appendix 6 of the Code on Collective Investment Scheme (the "CIS Code") and on Page 353 of the Prospectus that the duties of the REIT Trustee includes safeguarding the rights and interests of the holders of EH-REIT Units and on Page 304 of the Prospectus that the AC of the REIT Manager is required to review related party transactions to ensure compliance with the relevant Listing Rules and Provisions of the CIS Code on related party transactions. In this regard, please clarify whether the REIT Trustee, CEO and AC of the REIT Manager had assessed whether the extensions of time for the provision of the SDs and payments of the rentals due to EHT would cause a breach of the loan covenants resulting in an event of

default and acceleration under the New Term Loan Facilities as disclosed on Pages 122-124 of the Prospectus.

Response:

Payment of rental

The Managers did not agree to any deviations in the payment terms of the outstanding MLA rental due for the months of January 2020 and February 2020 and in turn, the REIT Trustee was not asked to and did not have to consent to any such deviations.

Provision of SDs

Insofar as the First Extension and the Second Extension are concerned, there was no issue of breach of the loan covenants (which would result in any event of default and acceleration under the New Term Loan Facilities referred to) had arisen. This is because the Administrative Agent and the Lenders had approved of the First Extension and the Second Extension. Consistent with this, neither the First Extension nor the Second Extension was the basis upon which the relevant lenders declared an event of default and/or acceleration.

- (b) The REIT Trustee and CEO and AC of the REIT Manager are to explain how they have safeguarded the rights and interests of the unitholders of EH-REIT in their assessment on the matter.

Response:

With respect to the First Extension and the Second Extension, the REIT Manager had not only issued the First Notice to the Master Lessees as early as 24 June 2019 for failing to furnish a LoC by the prescribed time, but also actively monitored the progress of the Master Lessees' efforts to furnish a LoC throughout the second half of 2019 and first quarter of 2020.

Even in February 2020 where BOTW had expressed its expectation that the LoC would be issued by mid-March 2020, the Managers required as a pre-condition to the Second Extension that the Master Lessees furnish in aggregate US\$5.0 million in cash, which sum brought the total amount of SDs received to US\$28.7 million, representing 5.9 months of fixed rent.

In contrast, if the First Extension and the Second Extension had not been agreed to, the Master Lessors may have been compelled to exercise remedies against the Master Lessees, which could have had a material impact on the MLA construct (which was an essential feature of the structure of EH-REIT as set out in the Prospectus). This would not, at the relevant time, in the assessment of the REIT Manager and the REIT Trustee, have been in the best interests of EH-REIT and its unitholders.

2.5 **Query 4:**

It is stated in the 24 March 2020 Announcement that "*Whilst there are sufficient funds in the bank accounts of EHT to fund CDP and to pay out the Distribution in full, in light of the Notice and the restrictions against payment of the Distribution, pending further discussions and negotiations with the Lenders and pending overall assessment of the financial implications of the Notice, the Managers have in the meantime deferred any action to pay the funds to CDP for settlement of the Distribution.*" Please disclose:

- (a) whether funds have already been earmarked for satisfaction of the Distribution payment including the name of the bank where the funds have been maintained for the payment;
- (b) the source(s) of the funds which are earmarked for the Distribution payment, considering the significant shortfall in master lease payments to EHT by the Master Lessees and

whether these funds were drawn from the accounts meant for the purpose of making distributions to the Stapled Securityholders; and

- (c) whether the REIT Trustee and REIT Manager had verified that EHT had sufficient funds for the Distribution announced in the 17 February 2020 Announcement.

Response:

(i) Funds for satisfaction of the Distribution payment.

Yes, there are sufficient funds in the bank account of EHT for the payment of the Distribution. The funds are held in an account with DBS Bank (Hong Kong Limited) (the “**Depository Institution**”). The funds are still held in the same account with the Depository Institution as at the date of this Announcement.

(ii) Source of funds for the Distribution payment.

The Distribution payment was drawn from accounts meant for the purpose of making distributions to the Stapled Securityholders, i.e. rental receipts, as well as SDs that were drawn upon and selected reserves that were not otherwise restricted.

(iii) Verification by the REIT Trustee and REIT Manager that EHT had sufficient funds for the Distribution.

The REIT Manager and the REIT Trustee had verified that EHT had sufficient funds in its bank accounts for the Distribution. However, while there were sufficient funds for the Distribution, EH-REIT was restricted from payment of the Distribution for the reasons set out in the 24 March 2020 Announcement.

2.6 Query 5:

Whether (i) an assessment had been made then on the reason(s) for the delays in receiving the fixed rent payments; and (ii) whether the fixed rents for 2019 were eventually paid during the cure period(s) for such payments. If no, whether the REIT Manager and/or REIT Trustee granted extension(s) of time for such payments to be made after the cure period and the authority by which they gave such extension(s). If no extension(s) was granted, whether a notice had been issued and when was the relevant notice issued to the Master Lessees.

Response:

All fixed rent payments for the months from May 2019 to November 2019 have been paid by the Master Lessees within the same month on which the fixed rent was due. For the month of December 2019, a substantial portion of the fixed rent was paid within the same month on which the fixed rent was due, with the balance paid in the subsequent month. The REIT Manager did not agree to any extension of time for payment of fixed rent for any of the months in 2019. The Managers closely monitored payment obligations and periodically sent requests for payment to be made to the Sponsor and the Master Lessees throughout January 2020 and February 2020 until payment was eventually made.

2.7 Query 6:

As the Master Lessees would be required to pay variable rents under the MLAs, EHT to clarify whether such rental payments had been duly collected from the Master Lessees for the period from EHT’s listing till to-date.

Response:

The Master Lessees have paid the fixed rent and variable rent due under the MLAs for the period from the Listing Date up to 31 December 2019.

The fixed rent for the months of January 2020, February 2020 and March 2020 which were due in February 2020, March 2020 and April 2020 respectively, have not been paid. The variable rent for the first quarter of 2020, which is due in April 2020, has also not been paid. The Managers have been following up actively on these rental delinquencies including consulting counsels on legal rights and remedies and appropriate exercise thereof.

3. UPDATE ON STATUS OF CERTAIN BANK ACCOUNTS OF EH-REIT'S SUBSIDIARIES AND MASTER LESSEES

3.1 In connection with the receipt of the Notice of an event of default under the Facilities Agreement as disclosed in the 24 March 2020 Announcement, the Managers wish to update the Stapled Securityholders that, in assertion by the Lenders of their rights and remedies following the issuance of the Notice, access to the following bank accounts of EH-REIT's subsidiaries and the Master Lessees that were established with the Administrative Agent in respect of the Borrowing Base Properties have been restricted by the Administrative Agent, on behalf of the Lenders:

- (a) the rent collection accounts, each being a deposit account in the name of the respective Master Lessors (being EH-REIT's subsidiaries) that owns the relevant Borrowing Base property;
- (b) the bank accounts in the name of the respective Master Lessors (being EH-REIT's subsidiaries) in which the SDs in the form of cash received under any of the applicable MLAs are held;
- (c) the revenue collection accounts, each being a deposit account in the name of the respective Master Lessees; and
- (d) certain general business accounts in the name of borrowers (being EH-REIT's subsidiaries) under the Facilities Agreement.

3.2 The Managers have also provided irrevocable instructions to the Depository Institution not to cause or permit any withdrawals or transfers from the Distribution bank account whilst discussions with the Administrative Agent and the Lenders are ongoing during the temporary forbearance period.

3.3 As stated in the 1 April 2020 Announcement, the Special Committee is actively engaging with the Administrative Agent and the Lenders to progress discussions in respect of a longer-term forbearance arrangement. As part of the discussions, the Special Committee is in discussions with the Administrative Agent and the Lenders on a consensual strategy moving forward with respect to the use and utilisation of such bank accounts. Pending further discussions with the Administrative Agent and the Lenders, the Special Committee is unable to provide any further details currently.

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 Administrative Agent and the Lenders). 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

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

Contact Investor Relations

Telephone: +65 6653 4434
Email: enquiry@eagleht.com

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: 20 April 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.

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