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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 Financial Adviser and Implementation of Temporary Caretaker Arrangements at Certain Hotels

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 provide an update to stapled securityholders (“**Stapled Securityholders**”) on (a) the appointment of a financial adviser; and (b) the implementation of temporary caretaker arrangements at certain hotels in EHT’s portfolio.

References are made to (i) the announcement “Business Strategic Review and Update” dated 19 March 2020 (the “**19 March 2020 Announcement**”); (ii) the announcement “Request for Voluntary Trading Suspension” dated 24 March 2020 (the “**24 March 2020 Announcement**”); (iii) the announcement “Update Announcement – Special Committee Established” dated 1 April 2020 (the “**1 April 2020 Announcement**”); and (iv) the announcement “Update Announcement – Appointment of Chief Restructuring Officers and other Updates” dated 24 April 2020 (the “**24 April 2020 Announcement**”, collectively with the aforesaid announcements, the “**Earlier Announcements**”).

DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Eagle Hospitality Trust.
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Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings as given to them in the Earlier Announcements (as the context requires).

2. Appointment of Financial Adviser

- 2.1 As set out in the 1 April 2020 Announcement, the Special Committee has been established to oversee, amongst other items, the Strategic Review and engagement and discussion with the Lenders in respect of the Facilities Agreement.
- 2.2 As set out in the Earlier Announcements, the Managers proposed to and have been in the process of selecting a financial adviser to assist the Managers in reviewing and analysing a range of strategic and corporate options.
- 2.3 As set out in the 24 April 2020 Announcement, the Managers and the REIT Trustee have appointed FTI Consulting, Inc. (“**FTI**”) to assist in the restructuring process of EHT including the appointment of the joint Chief Restructuring Officers. The immediate focus of the Chief Restructuring Officers is on the preservation of property portfolio value and evaluation of the Hotel Management Agreements (“**HMA**s”) and the Master Lease Agreements (“**MLA**s”) (including the evaluation of the unpaid rent, its underlying cause and its impact).
- 2.4 The Managers and the REIT Trustee consider that it is appropriate that in addition to FTI, which includes the Chief Restructuring Officers, there should also be a financial adviser appointed to complement the efforts of FTI. This will enable the Managers (acting through the Special Committee) and the REIT Trustee to leverage both external advisers' professional advice as they explore and evaluate potential options to preserve the value and protect the interests of EHT for the benefit of the Stapled Securityholders.
- 2.5 Accordingly, the Managers and the REIT Trustee wish to update Stapled Securityholders that the Managers and the REIT Trustee, for EHT and its corporate entities, have appointed Moelis & Company (“**Moelis**”) to assist the Special Committee and the REIT Trustee in undertaking the Strategic Review of EHT's business, including advising on available options to achieve the best possible outcomes for the Stapled Securityholders. Moelis is a leading global investment bank listed on the New York Stock Exchange that provides financial advisory services with a focus on mergers and acquisitions, and restructuring.
- 2.6 The Managers also wish to take this opportunity to clarify that the Special Committee is a board committee of the Managers comprising all the independent directors and the Chief Executive Officer of the Managers (but excluding Mr Howard Wu and Mr Taylor Woods, the Non-Independent and Non-Executive Chairman and Deputy Chairman respectively, for reasons of corporate governance and conflicts of interest). For the same reasons of corporate governance, the terms of reference of both FTI and Moelis will be to report to the Special Committee of the Managers and the REIT Trustee in respect of their advice.

3. Implementation of Temporary Caretaker Arrangements at Certain Hotels in EHT's Portfolio

- 3.1 As disclosed in the 24 April 2020 Announcement, the Managers and the REIT Trustee were informed that HMA Termination Notices were received by the relevant Master Lessees in respect of the following properties as a result of such Master Lessees' failure to cure its default under the respective HMAs:
- (a) Four Points by Sheraton San Jose Airport;
 - (b) Crowne Plaza Danbury;
 - (c) Hilton Houston Galleria Area;
 - (d) Embassy Suites by Hilton Palm Desert; and
 - (e) Doubletree by Hilton Salt Lake City Airport.

- 3.2 In view of the imminent termination of such HMAs by the relevant hotel managers and the lack of remedial action on the part of the abovementioned Master Lessees to safeguard the hotels, each of the corresponding Master Lessors (being subsidiaries of EH-REIT), at the direction of the REIT Manager and with the approval of the REIT Trustee, the Administrative Agent and the Lenders, had entered into a hotel caretaker agreement with affiliates of GF Hotels & Resorts (“**GF Hotels**”), a leading hotel management group, under which GF Hotels would provide and implement temporary caretaker services at these hotels, which had been closed by the previous hotel managers, upon the departure of the previous hotel managers. The management of these hotels has been handed over to GF Hotels pursuant to an orderly handover transition between the previous hotel managers and GF Hotels, which took place over the course of last week.
- 3.3 The Managers are of the view that the caretaker services provided by GF Hotels are a cost-effective means by which to safeguard asset values and minimise losses during the COVID-19 period which has been characterised by demand dislocation and temporary hotel closures across the United States. These arrangements are also intended to preserve the underlying value of the hotels, whilst the Managers and the REIT Trustee, together with the assistance of Moelis and the Chief Restructuring Officers, continue to assess the appropriateness of the MLAs as part of the Strategic Review and longer-term plans post-COVID-19.

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 EHT’s lenders, Master Lessees and/or hotel operators). 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:

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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: 28 April 2020

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