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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 #19 – Requisition to Convene an Extraordinary General Meeting of Stapled Securityholders 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**”), 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**”) and DBS Trustee Limited, as trustee of EH-REIT (the “**REIT Trustee**”) wish to announce that the REIT Manager and the REIT Trustee had on 14 December 2020 received a letter (the “**Requisition Letter**”) from Fortress Empire Group, Ltd, Vertical Gain Investment, Inc and Regal Empire Ventures, Ltd (collectively, the “**Requisitionists**”) requesting and requisitioning the REIT Manager to convene an extraordinary general meeting of EH-REIT (the “**Proposed Further EGM**”) for stapled securityholders of EHT (the “**Stapled Securityholders**”) to consider the resolutions as set out below. A copy of the Requisition Letter is annexed to this Announcement.

Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings as set out in the circular to Stapled Securityholders dated 8 December 2020 (the “**Circular**”).

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

- **Requisition Letter:** 3 Stapled Securityholders that are purportedly beneficially-owned by Mr. Howard Wu and Mr. Taylor Woods (being the Sponsor individuals) have requisitioned an extraordinary general meeting for the following resolutions to be tabled:
 - issue of US\$50,000,000 of new units in EH-REIT at US\$0.075 each by way of rights issue; and
 - retention to the fullest extent permitted by law of the REIT Manager as manager of EH-REIT.
- **Uncertainty surrounding the Requisition request.** The Managers and the REIT Trustee have requested for further information in relation to the resolutions proposed by the Requisitionists in order to ascertain the validity of the Requisition request as well as to obtain sufficient information for Stapled Securityholders to make informed decisions.
- **Appeal by MW against MAS' Direction:** MW (being the sole shareholder of the REIT Manager and is 100% owned by the Sponsor individuals) has lodged an appeal against the MAS Direction. The Managers and the REIT Trustee do not have information on MW's grounds of appeal and no further directions have been provided by MAS on the MAS Direction. **Notwithstanding the appeal, the MAS Direction currently still stands and the REIT Trustee affirms its intention to comply with the MAS Direction.**
- **Opportunity provided for the Sponsor to participate in the RFP Process.** In considering all options in the interests of Stapled Securityholders, the REIT Trustee had provided the Sponsor with the opportunity to participate in the RFP Process commenced by the REIT Trustee in July 2020. After giving proper and careful consideration to each comprehensive proposal received under the RFP Process, the REIT Trustee (based on the recommendation of its professional advisers) identified SCCPRE (part of the SC Group) to have put forth the most credible proposal.
- **Scheduled EGM to proceed as planned at 2.00 p.m. on 30 December 2020.** Notwithstanding the Requisition Letter, the Scheduled EGM of EHT as convened pursuant to the Circular and Notice of EGM dated 8 December 2020 **will proceed as planned and will be convened and held by way of electronic means at 2.00 p.m. on Wednesday, 30 December 2020.** Resolutions relating to the most credible proposal for the restructuring and rehabilitation of EHT (as identified by the REIT Trustee (based on the recommendation of its professional advisers) through the RFP Process) will be put forth for Stapled Securityholders' approval at the Scheduled EGM.
- It is imperative that the Scheduled EGM be convened as planned given the circumstances faced by EHT, including the limited cash resources currently available to EHT.

2. Requisition Letter

- 2.1 The Requisitionists have indicated that Mr. Howard Wu and Mr. Taylor Woods (who collectively own 100% of the Managers through Mandarin West Holdings, LLC ("**MW**") and Urban Commons, LLC, the sponsor of EHT) are the beneficial owners of the Stapled Securities held by the Requisitionists (collectively referred to as the "**Sponsor**").

- 2.2 As set out in the Requisition Letter, the Requisitionists have requested that the REIT Manager convene the Proposed Further EGM for the following resolutions to be tabled.

"Resolution 1 (Ordinary Resolution)

ISSUE OF US\$50,000,000 OF NEW UNITS IN EH-REIT AT US\$0.075 EACH BY WAY OF RIGHTS ISSUE¹

That the Manager of EH-REIT immediately takes all steps, execute all documents and do all other things whatsoever as may be necessary or expedient to give full effect and as expeditiously as possible, for the issue of such number of new Units in EH-REIT as would amount to up to US\$50,000,000 at the issue price of US\$0.075 per Unit, to be offered by way of rights issue to existing holders of Units in EH-REIT.

Resolution 2 (Ordinary Resolution)

RETENTION TO THE FULLEST EXTENT PERMITTED BY LAW OF EAGLE HOSPITALITY REIT MANAGEMENT PTE LTD AS MANAGER OF EH-REIT

That, to the fullest extent permitted by law, Eagle Hospitality REIT Management Pte Ltd be retained and/or otherwise re-appointed as the Manager of EH-REIT; for this purpose, each of Eagle Hospitality REIT Management Pte Ltd and DBS Trustee Limited (as Trustee of EH-REIT) be authorised and directed to take all steps, execute all documents and do all other things whatsoever as may be necessary or expedient to give full effect and as expeditiously as possible, towards such retention and/or re-appointment of Eagle Hospitality REIT Management Pte Ltd as the Manager of EH-REIT."

- 2.3 The Requisitionists have further requested that the Proposed Further EGM be convened an hour before the EGM to be held at 2.00 p.m. on Wednesday, 30 December 2020 relating to the Proposed Change of Managers and Related Matters and the Termination Proposal (the "Scheduled EGM").

- 2.4 As at the date of this Announcement, relevant details and confirmations have been requested of the Requisitionists to verify if they are the beneficial owners of an aggregated 10.54% Stapled Securityholding and having the right to vote in respect of all such Stapled Securityholdings in EHT at a general meeting of EHT.

3. Responses to Requisition Letter

- 3.1 Notwithstanding that verification and confirmation of the Requisitionists' holdings and ownership remain outstanding, in the interests of time, in order to provide Stapled Securityholders with relevant information necessary to allow Stapled Securityholders to make properly informed decisions, the Managers and the REIT Trustee (based on the advice of their professional advisers) have responded to the Requisitionists requesting for certain initial concerns and queries in respect of the Requisitionists' proposed resolutions to be addressed.

- 3.2 These initial queries and concerns include:

- (a) in connection with Resolution 1 as proposed by the Requisitionists, being the "issue of US\$50,000,000 of new Units in EH-REIT at US\$0.075 each by way of rights issue":
- (i) whether approval has been sought by the Requisitionists from the Singapore Exchange Securities Trading Limited (the "SGX-ST") to carry out the rights

¹ The Requisitionists, through their legal counsels, have clarified that Resolution 1 in the Requisition Letter contained a typographical error in the heading and it should read "ISSUE OF US\$50,000,000 OF NEW UNITS IN EH-REIT AT US\$0.075 EACH BY WAY OF RIGHTS ISSUE", instead of "ISSUE OF 300,000,000 NEW UNITS IN EH-REIT AT US\$0.10 EACH BY WAY OF RIGHTS ISSUE".

issue even though the trading of Stapled Securities remains suspended on the SGX-ST;

- (ii) the detailed and specific terms of the rights issue as required under the Listing Manual of the SGX-ST;
 - (iii) whether the issue is proposed to be underwritten and if not, whether the Requisitionists will be providing irrevocable undertakings that they will subscribe for any unsubscribed rights. In this regard, the Managers have also asked the Requisitionists to confirm that they have the financial wherewithal to provide such irrevocable undertakings; and
 - (iv) if the rights issue is not underwritten and if the Requisitionists will not be providing the abovementioned irrevocable undertakings, the means by which the Requisitionists intend to backstop the rights issue;
- (b) in connection with Resolution 2 as proposed by the Requisitionists, being the “retention to the fullest extent permitted by law of Eagle Hospitality REIT Management Pte Ltd as manager of EH-REIT”:
- (i) to provide full details and clarification on the precise basis for the appeal against the Monetary Authority of Singapore’s (“**MAS**”) Direction (as defined below), and what precise law supposedly permits the retention of the REIT Manager as manager of EH-REIT despite the MAS Direction; and
 - (ii) the REIT Manager has failed to comply with certain provisions of, and requirements imposed under, the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”), including the REIT Manager’s base capital requirements and financial resources requirements. In this regard, the Managers have requested for an explanation and evidence of the means and source(s) of funds from which MW will be providing to the REIT Manager so that it will be able to continue operating as a going concern and in compliance with the relevant base capital and financial resources requirements;
- (c) if the Requisitionists have sought the consent and the support of relevant lenders of EHT for such resolutions to be put forth at the Proposed Further EGM and if not, how do the Requisitionists propose to deal with the relevant lenders’ right to accelerate and foreclose the relevant loan facility(ies), given that such foreclosure will likely have a material adverse effect on the business, financial condition, results of operation and prospects of EHT; and
- (d) if the Requisitionists will assume full responsibility for all information contained in a circular to be issued to Stapled Securityholders in connection with the resolutions to be tabled at the Proposed Further EGM.

3.3 Pending the Requisitionists’ response to the initial queries and concerns identified and taking into account the time required for the clearance of a circular relating to such resolutions by SGX-ST as well as requisite notice periods for resolutions, Stapled Securityholders should note that there is no certainty or assurance that the Proposed Further EGM will be held on 30 December 2020 or otherwise.

4. RFP Process and MAS Direction

4.1 As disclosed in the Managers’ various announcements from March 2020 onwards, (a) the Master Lessees (being entities that are controlled by the Sponsor) have been delinquent on their obligations under the Master Lease Agreements, (b) the REIT Manager (which is ultimately controlled by the Sponsor) has failed to comply with its base capital requirements and financial resources requirements under the SFA, and (c) MW had failed to enter into definitive agreements with a potential third party investor in relation to the acquisition of a controlling stake in the Managers. Despite the foregoing events related to the Sponsor, the Sponsor was

allowed to participate in the RFP Process commenced by Moelis, the financial adviser, on behalf of the REIT Trustee in July 2020 as the intention was for there to be no restrictions on parties eligible to participate in the RFP Process and for all submitted bids to be considered.

- 4.2 After giving proper and careful consideration to each credible comprehensive proposal received under the RFP Process in the interests of Stapled Securityholders, the REIT Trustee (based on the recommendation of its professional advisers) identified SCCPRE (part of the SC Group) to have put forth the most credible proposal.

5. Appeal Lodged by the Shareholder of the REIT Manager against MAS Direction to the REIT Trustee to Remove the REIT Manager

Reference is also made to:

- (a) the REIT Trustee's Statement "DBS Trustee Concludes RFP Process; SCCPRE Hospitality REIT Management Pte. Ltd. Identified as the Proposed REIT Manager of EH-REIT" dated 1 December 2020 in relation to, *inter alia*, the REIT Trustee's confirmation that (i) it has on 30 November 2020 received the MAS' Direction (the "**MAS Direction**") to the REIT Trustee to remove the REIT Manager within 1 month from the date of issuance of the MAS Direction and appoint a new manager for EH-REIT, and (ii) it intends to comply with the MAS Direction and will remove the manager for EH-REIT; and
- (b) the media release by MW dated 17 December 2020 in relation to it having filed a notice of appeal against the MAS Direction wherein MW has indicated that it will substantively address in its appeal all the issues that the MAS raised in the Notice of Intention to remove the REIT Manager.

As at the date of this Announcement, neither the Managers nor the REIT Trustee have information on MW's grounds of appeal against the MAS Direction and no further directions have been provided by the MAS to the Managers or the REIT Trustee in respect of the MAS Direction. The MAS Direction therefore remains to be complied with.

6. Scheduled EGM

- 6.1 Accordingly, taking into account:

- (a) the queries/concerns remaining to be addressed by the Requisitionists and the lack of certainty as to if and when the Proposed Further EGM can be convened;
- (b) the Scheduled EGM is being convened after a lengthy and rigorous RFP Process to consider the proposal which the REIT Trustee (based on the recommendation of its professional advisers) considers the most credible proposal to be put forth for Stapled Securityholders' approval;
- (c) the MAS Direction which must be complied with by 30 December 2020 (and the circumstances which led to the issue of the MAS Direction); and
- (d) the circumstances faced by EHT (as described in the Circular) including the limited financial resources currently available to EHT,

the Scheduled EGM **will proceed as planned and will be convened and held by way of electronic means at 2.00 p.m. on 30 December 2020**. Any further delays or impediments to hold up the Scheduled EGM would not be in the interests of the EHT and its Stapled Securityholders.

- 6.2 Stapled Securityholders should refer to the Circular and the Managers and the REIT Trustee's announcement "Electronic Despatch of Circular and Alternative Arrangements relating to the Extraordinary General Meeting to be held on 30 December 2020" dated 8 December 2020 for

information on, *inter alia*, the submission of proxy forms and registration for the Scheduled EGM and exercise their rights to vote.

6.3 The Managers and/or the REIT Trustee will keep Stapled Securityholders updated of any material developments on the above matters.

Stapled Securityholders are advised to read this Announcement and any further announcements by the Managers and/or the REIT Trustee 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:

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

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Eagle Hospitality Business Trust Management Pte. Ltd.
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as trustee-manager of Eagle Hospitality Business Trust

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as trustee of Eagle Hospitality Real Estate Investment Trust

Date: 18 December 2020

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