



## 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)

### EAGLE HOSPITALITY BUSINESS TRUST

(a business trust constituted on 11 April 2019 under the laws of the Republic of Singapore)

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## Update Announcement #22 – Commencement of Chapter 11 Cases in the United States and Entry into Commitment Letter for Debtor-In-Possession Facility

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### 1. INTRODUCTION

DBS Trustee Limited, as trustee (the “**REIT Trustee**”) of Eagle Hospitality Real Estate Investment Trust (“**EH-REIT**”) wishes to update the stapled securityholders of Eagle Hospitality Trust (“**EHT**”) (the “**Stapled Securityholders**”) on the commencement of Chapter 11 cases in the United States in respect of certain EH-REIT entities and the entry into a commitment letter in respect of a US\$100 million Debtor-In-Possession Financing Facility in connection with such cases, which financing is subject to the approval of the United States Bankruptcy Court.

### 2. BACKGROUND LEADING TO COMMENCEMENT OF CHAPTER 11 CASES IN THE UNITED STATES

- 2.1 Pursuant to the Request for Proposal Process commenced by the REIT Trustee in July 2020 to explore all available options to EHT, the REIT Trustee, upon the recommendation of its professional advisers, had identified SCCPRE Nineteen (S) Pte. Ltd. (“**SCCPRE**”, part of the SC Capital Partners Group) as having put forth the most credible proposal. Consequentially, certain resolutions were tabled at the extraordinary general meeting of EHT held on 30 December 2020 (“**EGM**”) for the Stapled Securityholders' consideration. Had the requisite resolutions been passed and carried at the EGM, the appointment of SCCPRE-affiliated entities as the new manager of EH-REIT and new trustee-manager of Eagle Hospitality Business Trust (“**EH-BT**”) would have been effected.
- 2.2 However, the requisite resolutions were not carried at the EGM. Accordingly, the SCCPRE-affiliated entities were not appointed as the new manager of EH-REIT and new trustee-manager of EH-BT.
- 2.3 The former manager of EH-REIT (Eagle Hospitality REIT Management Pte. Ltd.) was removed by the REIT Trustee upon the conclusion of the EGM pursuant to the direction issued by the Monetary Authority of Singapore. As a new replacement manager was not appointed at the EGM, EH-REIT does not have a manager in place to navigate EH-REIT through these difficult times.
- 2.4 As stated in the circular dated 8 December 2020 in relation to the EGM, in the absence of a successful out-of-court financial and corporate restructuring of EHT and in view of EHT's finite cash resources, the REIT Trustee would likely be compelled to consider seeking insolvency protection under Chapter 11 of the United States Bankruptcy Code (“**Chapter 11**”) to facilitate a restructuring of EH-REIT or an orderly winding down of EH-REIT.

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| DBS Bank Ltd. was the sole financial adviser and issue manager for the initial public offering of Eagle Hospitality Trust. |
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### 3. COMMENCEMENT OF CHAPTER 11 CASES IN THE UNITED STATES

3.1 The following subsidiaries of EH-REIT (collectively, the “**Chapter 11 Entities**”) which own the following hotels in EHT’s portfolio have filed for voluntary petitions for relief under Chapter 11 (the “**Chapter 11 Filing**”) on 19 January 2021 (Singapore time) to obtain the protection of the United States Bankruptcy Court:

- (a) 5151 Wiley Post Way, Salt Lake City, LLC (Doubletree by Hilton Salt Lake City Airport)
- (b) ASAP Cayman Atlanta Hotel LLC
- (c) ASAP Cayman Denver Tech LLC
- (d) ASAP Cayman Salt Lake City Hotel LLC
- (e) ASAP Salt Lake City Hotel, LLC
- (f) Atlanta Hotel Holdings, LLC
- (g) CI Hospitality Investment, LLC
- (h) EHT Cayman Corp Ltd.
- (i) Eagle Hospitality Trust S1 Pte. Ltd.
- (j) Eagle Hospitality Trust S2 Pte. Ltd.
- (k) EHT US1, Inc.
- (l) Sky Harbor Atlanta Northeast, LLC (Hilton Atlanta Northeast)
- (m) Sky Harbor Denver Holdco, LLC
- (n) Sky Harbor Denver Tech Center LLC (Sheraton Denver Tech Center)
- (o) UCCONT1, LLC (Holiday Inn Resort Orlando Suites – Waterpark)
- (p) UCF 1, LLC (Embassy Suites by Hilton Anaheim North)
- (q) UCHIDH, LLC (Holiday Inn Denver East – Stapleton)
- (r) UCRDH, LLC (Renaissance Denver Stapleton)
- (s) Urban Commons 4th Street A, LLC (Four Points by Sheraton San Jose Airport)
- (t) Urban Commons Anaheim HI, LLC (Holiday Inn Hotel & Suites Anaheim)
- (u) Urban Commons Bayshore A, LLC (Holiday Inn Hotel & Suites San Mateo)
- (v) Urban Commons Cordova A, LLC (Sheraton Pasadena)
- (w) Urban Commons Danbury A, LLC (Crowne Plaza Danbury)
- (x) Urban Commons Highway 111 A, LLC (Embassy Suites by Hilton Palm Desert)
- (y) Urban Commons Queensway, LLC (The Queen Mary Long Beach)
- (z) Urban Commons Riverside Blvd., A, LLC (The Westin Sacramento)
- (aa) USHIL Holdco Member, LLC

3.2 The Chapter 11 Entities consider that the Chapter 11 Filing would be in the interests of EH-REIT and its stakeholders as it seeks to protect and preserve the assets of EH-REIT and create a stable and collective process to protect the Chapter 11 Entities and their assets, under the supervision of the United States Bankruptcy Court. While the Chapter 11 Entities intend to commence a marketing process to sell the relevant hotels, this process will not preclude the continued exploration of other restructuring alternatives.

3.3 The Chapter 11 Filing stays claims against the Chapter 11 Entities and provides the necessary protection to allow the undertaking of any value-maximising strategies or propositions for the benefit of all stakeholders, including the sale of the relevant hotels. In addition, the Chapter 11 Filing allows the Chapter 11 Entities to obtain Debtor-In-Possession (“**DIP**”) financing to pay for critical expenses to protect the value of EH-REIT’s assets and to give EH-REIT the runway to execute any potential value-maximising strategies or propositions.

### 4. ENTRY INTO COMMITMENT LETTER FOR US\$100 MILLION DEBTOR-IN-POSSESSION FACILITY

4.1 The Chapter 11 Entities have, on 17 January 2021, executed a commitment letter in respect of a US\$100 million senior secured superpriority DIP term loan facility (the “**DIP Financing Facility**”) with Monarch Alternative Capital LP, acting on behalf of one or more advisory clients and/or related entities (“**Monarch**”) as the DIP lender pursuant to which Monarch will extend a senior secured superpriority DIP term loan credit facility in an aggregate amount of up to US\$100 million (which can be increased up to US\$125 million) to the Chapter 11 Entities, which financing is subject to the approval of the United States Bankruptcy Court. The DIP Financing Facility will be utilised on an as-needed basis only.

- 4.2 The DIP Financing Facility contemplates a 12-month term secured primarily by liens on the 15 previously unencumbered hotels (or, in the case of the Queen Mary Long Beach hotel, a lien on the proceeds of the Queen Mary Long Beach hotel lease) as set out under paragraph 3.1 above. The Chapter 11 Entities would be permitted to use the proceeds of the DIP Financing Facility for working capital needs, and general corporate and other purposes, including funding the costs of the Chapter 11 cases. Additional information regarding the Chapter 11 cases, including the DIP Financing Facility, may be obtained by accessing the publicly available website of Donlin, Recano & Company, Inc. (as the claims and noticing agent in respect of the Chapter 11 Filing) at [www.donlinrecano.com/eagle](http://www.donlinrecano.com/eagle) which provides details regarding Chapter 11 cases.
- 4.3 Further updates will be provided as and when there are any material developments on the Chapter 11 Filing and/or the use of proceeds under the DIP Financing Facility.

**Stapled Securityholders are advised to read this Announcement issued by the REIT Trustee and any further announcements by the REIT Trustee carefully. Stapled Securityholders should note that there is no certainty or assurance that there will be a restructuring under Chapter 11 and in the event of a disposal of the properties, Stapled Securityholders may not receive any value. Stapled Securityholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.**

Issued by:

**DBS Trustee Limited**

(Company Registration No.: 197502043G)

**as trustee of Eagle Hospitality Real Estate Investment Trust**

Date: 20 January 2021

**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 of EHT in 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, Eagle Hospitality Business Trust Management Pte. Ltd. (as trustee-manager of Eagle Hospitality Business Trust) (the “Trustee-Manager”) and the REIT Trustee (as trustee of EH-REIT), 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 Trustee-Manager and/or the REIT Trustee 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 Trustee-Manager and/or the REIT Trustee’s 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, amongst others, EHT, EH-REIT, EH-BT as well as financial statements. 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.

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