



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)

Update Announcement #24 – Update on Chapter 11 Process and Operational Updates

1. INTRODUCTION

- 1.1 DBS Trustee Limited, in its capacity as trustee (the “**REIT Trustee**”) of Eagle Hospitality Real Estate Investment Trust (“**EH-REIT**”) wishes to provide an update to stapled securityholders (the “**Stapled Securityholders**”) of Eagle Hospitality Trust (“**EHT**”) on (a) the Chapter 11 process and (b) certain operational updates in respect of EHT.
- 1.2 References are made to (a) the announcement “Update Announcement – Appointment of Chief Restructuring Officers and other Updates” dated 24 April 2020 (the “**24 April 2020 Announcement**”), (b) the announcement “Update Announcement #21” dated 29 December 2020 (“**Announcement #21**”), (c) the announcement “Update Announcement #22” dated 20 January 2021 (“**Announcement #22**”) and (d) the announcement “Update Announcement #23” (“**Announcement #24**”, collectively with the aforesaid announcements, the “**Earlier Announcements**”). Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meanings as given in the Earlier Announcements (as the context requires).

2. UPDATE ON CHAPTER 11 PROCESS

Application for Joint Administration of EH-REIT’s Chapter 11 Case with the Chapter 11 Entities’ Chapter 11 Cases and Final Orders Granted by the United States Bankruptcy Court

- 2.1 As disclosed in Update Announcement #23, on 28 January 2021 (Singapore time), EH-REIT filed a voluntary petition for relief under Chapter 11 in the United States Bankruptcy Court (the “**EH-REIT Chapter 11 Filing**”). In conjunction with the EH-REIT Chapter 11 Filing, an application was made to jointly administer, for procedural purposes only, EH-REIT’s Chapter 11 case with the Chapter 11 cases of 27 subsidiaries of EH-REIT (collectively, the “**Initial Chapter 11 Entities**” and, together with EH-REIT, the “**Chapter 11 Entities**”).¹ The United States Bankruptcy Court granted that application on 28 January 2021.

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

¹ The Initial Chapter 11 Entities are (a) 5151 Wiley Post Way, Salt Lake City, LLC, (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, (m) Sky Harbor Denver Holdco, LLC, (n) Sky Harbor Denver Tech Center LLC, (o) UCCONT1, LLC, (p) UCF 1, LLC, (q) UCHIDH, LLC, (r) UCRDH, LLC, (s) Urban Commons 4th Street A, LLC, (t) Urban Commons Anaheim HI, LLC, (u)

- 2.2 As mentioned in Update Announcement #23, following the initial hearing before the United States Bankruptcy Court on 21 January 2021 in respect of the Chapter 11 cases at which certain interim relief was granted, the United States Bankruptcy Court held a hearing on 24 February 2021 to consider final approval of certain of these interim orders, including approval of the 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. During such hearing, the United States Bankruptcy Court, among other things:
- (a) approved the DIP Financing Facility on a final basis, allowing the Chapter 11 Entities (including EH-REIT) to borrow an aggregate amount of up to US\$100 million (which can be increased up to US\$125 million under certain circumstances) and the use of such proceeds in accordance with an approved budget and subject to the terms of the order approving the DIP Financing Facility;
 - (b) authorised (but did not require), on a final basis, the payment of certain critical vendors for the ongoing operations and maintenance of the hotels in EH-REIT’s portfolio; and
 - (c) in connection with the EH-REIT Chapter 11 Filing, confirmed the application of the worldwide automatic stay in respect of any claims against EH-REIT.

As mentioned in Update Announcement #22, the proceeds of the DIP Financing Facility would be used for working capital needs such as funding critical operating expenses, and general corporate and other purposes, including funding the costs of the Chapter 11 cases, so as to facilitate any restructuring of the Chapter 11 Entities (including EH-REIT and the EHT Singapore Entities (as defined below)) and to provide for sufficient time for the undertaking of any value-maximising strategies or propositions for the benefit of all stakeholders.

- 2.3 A further hearing in the Chapter 11 cases will be held on 15 March 2021 at which time the United States Bankruptcy Court will consider final approval of the cash management order, which order was granted on an interim basis at the 24 February 2021 hearing.
- 2.4 As at the date of this Announcement, the United States Bankruptcy Court has yet to set a deadline for filing proofs of claim claims against the Chapter 11 Entities. The REIT Trustee will provide an update on the above matters should there be any material developments.

Administrative Agent’s Motion to Dismiss the Chapter 11 Cases of EH-REIT and certain EH-REIT entities

- 2.5 Further to the EH-REIT Chapter 11 Filing, Bank of America, N.A. (“**BoA**”), as the administrative agent of EH-REIT’s prepetition syndicated credit agreement in respect of a principal amount of US\$341 million (the “**Facilities Agreement**”), filed a motion (“**BoA Motion to Dismiss**”) to dismiss the Chapter 11 cases of EH-REIT, Eagle Hospitality Trust S1 Pte. Ltd. (“**EHT S1**”) and Eagle Hospitality Trust S2 Pte. Ltd. (“**EHT S2**” and together with EHT S1, the “**EHT Singapore Entities**”). Among other things, BoA argues that (a) EH-REIT and the EHT Singapore Entities are not eligible to file Chapter 11 cases and (b) they have no legitimate purpose of reorganisation.
- 2.6 The Chapter 11 Entities dispute the allegations made in the BoA Motion to Dismiss and intend to vigorously oppose such motion, including on the grounds that (a) EH-REIT and the EHT Singapore Entities are eligible to file chapter 11 cases in accordance with the United States Bankruptcy Code, including because they own property located in the United States, and (b) the chapter 11 petitions of EH-REIT and the EHT Singapore Entities were filed in good faith and in the pursuit of a proper purpose, including to seek a reorganisation and/or liquidation of assets. Moreover, the REIT Trustee believes that it is in the interests of EHT and its stakeholders (including unitholders of EH-REIT) that any restructuring of the Chapter 11 Entities be conducted holistically to include EH-REIT and the EHT Singapore Entities.

Urban Commons Bayshore A, LLC, (v) Urban Commons Cordova A, LLC, (w) Urban Commons Danbury A, LLC, (x) Urban Commons Highway 111 A, LLC, (y) Urban Commons Queensway, LLC, (z) Urban Commons Riverside Blvd., A, LLC and (aa) USHIL Holdco Member, LLC.

- 2.7 While dismissal of the chapter 11 cases of EH-REIT and the EHT Singapore Entities pursuant to the BoA Motion to Dismiss will not result in an event of default under the DIP Financing Facility, such dismissal would mean that these entities would no longer be able to access the DIP Financing Facility.
- 2.8 In addition to the BoA Motion to Dismiss, BoA has filed an *ex parte* motion (as amended, the “**Notice Motion**”) for the entry of an order by the United States Bankruptcy Court requiring that (a) BoA serve the notice of hearing with respect to the BoA Motion to Dismiss on, among others, the parties listed in the Chapter 11 Entities’ consolidated list of creditors, (b) BoA cause the notice of hearing to be published in The Straits Times and (c) the Chapter 11 Entities cause the BoA Motion to Dismiss and related documents to be posted on EHT’s website in order to provide notice of such filings to unitholders of EH-REIT.
- 2.9 On 25 February 2021, the United States Bankruptcy Court entered an order granting the Notice Motion. In accordance with such order, the BoA Motion to Dismiss and related documents have been posted on EHT’s website at www.eagleht.com.
- 2.10 The hearing on the BoA Motion to Dismiss has been scheduled for 7 April 2021 at 10.00 a.m. (New York time), and objections are due by 22 March 2021 at 4.00 p.m. (New York time). The Chapter 11 Entities’ objection to the BoA Motion to Dismiss will also be posted on EHT’s website at www.eagleht.com.

Commencement of Sale Process in respect of 15 Properties in EHT’s Portfolio held by the Chapter 11 Entities

The REIT Trustee wishes to update Stapled Securityholders that in connection with the Chapter 11 Filing, the REIT Trustee has instructed Moelis & Company (as the professional financial adviser to the Chapter 11 Entities) (“**Moelis**”) to advise on options for the restructuring of EH-REIT, following the removal of the former manager of EH-REIT and the difficult financial circumstances of EH-REIT. To this end, Moelis has been engaging and will continue to engage with all interested third parties. Concurrently, Moelis has been instructed to commence a sale process on behalf of the Chapter 11 Entities in respect of 15 of EHT’s properties (being the properties in EHT’s portfolio that are owned by certain Chapter 11 Entities and comprising all of EHT’s properties save for the Delta Woodbridge (“**DW**”), the Hilton Houston Galleria Area (“**HHG**”) and the Crowne Plaza Dallas Near Galleria-Addison (“**CPDG**”). Even whilst such sale process is ongoing, EHT continues to explore other restructuring alternatives.

- 2.11 The REIT Trustee will provide further updates as and when there are any material developments on the abovementioned matters relating to the Chapter 11 process.

3. OPERATIONAL UPDATES

Re-opening of Hilton Atlanta Northeast

- 3.1 As disclosed in EHT’s previous announcements, 15 out of EHT’s 18 properties were closed last year as a result of, *inter alia*, the various delinquencies on the part of the previous Master Lessees, the numerous defaults and/or termination of the relevant HMAs in respect of EHT’s properties as a result of, amongst others, the previous Master Lessees’ failure to fulfil their obligations under the HMAs, as well as in response to the COVID-19 pandemic.
- 3.2 The REIT Trustee wishes to update Stapled Securityholders that the Master Lessor of the Hilton Atlanta Northeast won a request for proposal process for a booking of approximately 10,870 room nights at the Hilton Atlanta Northeast from January 2021 to March 2021. Accordingly, the caretaker hotel manager for the Hilton Atlanta Northeast re-opened the hotel with effect from 1 January 2021 to accommodate such booking and the REIT Trustee, as advised and recommended by its professional advisers, expects that the Hilton Atlanta Northeast will continue to remain open following the conclusion of such booking.

Foreclosure of the Hilton Houston Galleria

- 3.3 As mentioned in Announcement #21, the lender of the HHG Mortgage Loan had filed the HHG Receiver Application, being a petition and application for the appointment of a receiver with the district court of Harris County, Texas, to, *inter alia*, hold possession of the HHG and take such other actions to preserve its interests (including without limitation the power to sell or dispose of the HHG). At the hearing in relation to the HHG Receiver Application, no receiver was appointed and it was ordered that the borrower and lender of the HHG Mortgage Loan engage in mandatory mediation with the supervision of a mediator to discuss a settlement in relation to the HHG Mortgage Loan.
- 3.4 Notwithstanding such order, the REIT Trustee has been advised that the lender of the HHG Mortgage Loan has filed a foreclosure notice and sent a notice of a foreclosure sale in respect of the HHG to be held on 2 March 2021, in response to the HHG Master Lessor's default in payment of the debt secured by the HHG.
- 3.5 The REIT Trustee, with the assistance of its professional advisers, is in the midst of exploring all options available to EHT in respect of the HHG and the HHG Mortgage Loan, in the interests of all stakeholders, including EH-REIT and the Stapled Securityholders.

Foreclosure of the Delta Woodbridge

- 3.6 It was disclosed in the 24 April 2020 Announcement that a notice of default and demand for payment ("**DW Notice**") in relation to the mortgage loan in respect of the DW with a principal amount of US\$35 million (the "**DW Mortgage Loan**") was served by Wells Fargo, National Association ("**Wells Fargo**"), being the lender of the DW Mortgage Loan, for the DW Master Lessor's various defaults under the DW Mortgage Loan.
- 3.7 Further to the DW Notice, the REIT Trustee has been advised that Wells Fargo has filed the following with the Superior Court of New Jersey:
- (a) a complaint to seek an order for, *inter alia*, (i) foreclosure of the DW to satisfy the amount due to Wells Fargo, (ii) possession of the DW, (iii) Wells Fargo be entitled to the rents and proceeds from the DW, (iv) the appointment of a receiver in respect of the DW to conduct an orderly sale of the DW in lieu of a foreclosure auction and (v) Wells Fargo be entitled to the relief afforded under the DW Mortgage Loan, including the right to foreclose on Wells Fargo's security interest in the collateral under the DW Mortgage Loan; and
 - (b) an application for the appointment of a rent receiver to, *inter alia*, take charge of the DW and to manage the same (including hotel operation) and to collect and receive rent and profits from the occupants of the hotel.
- 3.8 As at the date of this Announcement, the REIT Trustee understands that a hearing to appoint a receiver for the DW has been scheduled for mid-March 2021. The REIT Trustee, with the assistance of its professional advisers, is in the midst of exploring all options available to EHT in respect of the DW and the DW Mortgage Loan, in the interests of all stakeholders, including EH-REIT and the Stapled Securityholders.

Auction of CPDG

- 3.9 The REIT Trustee, having considered the advice and submissions from its professional advisers and having taken into account the current financial position of the CPDG, is of the view that the sale of the CPDG would be in the best interests of EH-REIT. Accordingly, an auction for the CPDG will be conducted in early April 2021.
- 3.10 The REIT Trustee will update Stapled Securityholders of any material developments in respect of the above matters as and when appropriate.

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 Stapled Securityholders will receive any value in the event of a disposal of EHT's properties whether pursuant to the Chapter 11 cases, a foreclosure sale or otherwise. 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: 2 March 2021

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