



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 #40 – Completion of Disposal of Crowne Plaza Dallas Near Galleria-Addison

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 the completion of the sale of the Crowne Plaza Dallas Near Galleria-Addison, a property located at 14315 Midway Road, Addison, Texas 75001 ("**CPDG**").
- 1.2. References are also made to the announcement "Update Announcement #38" dated 30 July 2021 ("**Announcement #38**"). Unless otherwise defined, all capitalised terms used and not defined herein shall have the same meaning as given in Announcement #38.

2. COMPLETION OF DISPOSAL OF CPDG

- 2.1. As disclosed in Announcement #38, under the terms of the Purchase and Sale Agreement, closing of the CPDG Disposal was scheduled to take place on 27 August 2021. As the Buyer had requested for additional time for the closing of the CPDG Disposal, the Seller-Owner and the Buyer entered into supplemental agreements to the Purchase and Sale Agreement (collectively, the "**Supplemental Agreements**", and the CPDG Disposal as revised in accordance with the terms of the Supplemental Agreements, the "**Revised CPDG Disposal**") to amend certain provisions in the Purchase and Sale Agreement relating to the Sale Consideration and the Closing Date.
- 2.2. In accordance with the terms of the Purchase and Sale Agreement, the Buyer had placed deposits amounting to US\$1.0 million in the Escrow Account, with the balance of the Sale Consideration, being US\$14.5 million, to be placed in the Escrow Account one (1) business day immediately preceding the Closing Date. Such sums would then be disbursed to the Seller-Owner on Closing.

- 2.3. Pursuant to the Supplemental Agreements, the Seller-Owner and the Buyer mutually agreed, *inter alia*, that:
- (a) the initial Sale Consideration of US\$15.5 million would be revised to US\$15.5 million plus an additional (i) US\$30,000 per day for each calendar day that the Closing Date is delayed past 27 August 2021 until (and including) 8 October 2021, and (ii) US\$15,000 per day for each calendar day that elapses after 8 October 2021 until (and including) the Closing Date (the "**Revised Sale Consideration**");
 - (b) the initial deposits to be placed by the Buyer in the Escrow Account prior to Closing of US\$1.0 million would be revised to an aggregate of US\$1.1 million (the "**Revised Deposits**") and in lieu of being held in the Escrow Account, would be disbursed to the Seller-Owner prior to the Closing Date (to be credited against the Revised Sale Consideration at Closing); and
 - (c) the Buyer would pay to the Seller-Owner, in consideration of the Supplemental Agreements and the agreement to, *inter alia*, extend the Closing Date, extension fees in the aggregate amount of US\$500,000 (the "**Extension Fees**"), which Extension Fees were paid directly to the Seller-Owner and not credited against the Revised Sale Consideration at Closing.
- 2.4. As disclosed in Announcement #38, the Revised CPDG Disposal is conditional upon, *inter alia*, the Seller-Owner having received an order from the United States Bankruptcy Court authorising EHT US1, Inc. to cause the Seller-Owner to consummate the transaction contemplated in the Purchase and Sale Agreement. In this regard, on 20 August 2021 (United States time), the United States Bankruptcy Court entered an order authorising, *inter alia*, EHT US1, Inc. to cause the Seller-Owner to sell the CPDG.
- 2.5. The REIT Trustee wishes to update Stapled Securityholders that the Revised CPDG Disposal was completed on 12 October 2021 (United States time). The Revised Sale Consideration for the Revised CPDG Disposal paid by the Buyer under the Purchase and Sale Agreement amounted to US\$16,820,000 (inclusive of the Revised Deposits, 42 days' worth of the increased purchase price of US\$30,000 per day and 4 days' worth of the increased purchase price of US\$15,000 per day). Such Revised Sale Consideration was in addition to the Extension Fees payable by the Buyer to the Seller-Owner and subject to adjustments and prorations as set forth in the Purchase and Sale Agreement.
- 2.6. The net proceeds of the Revised CPDG Disposal (after adjustments and prorations as set forth in the Purchase and Sale Agreement) were used (or will be used, as applicable) to repay, *inter alia*, (a) the disposal-related expenses (including professional fees), (b) the net outstanding amount under the CPDG Mortgage Loan (including, *inter alia*, the principal amount, accrued interest, default interest and prepayment fees), and (c) other unsecured claims against the Seller-Owner, including (without limitation) outstanding accounts payable. If and to the extent there are any net proceeds remaining after making such repayments, such remaining net proceeds will be distributed upstream to the Chapter 11 Entities, as the holding company of the Seller-Owner is a Chapter 11 Entity, and will form part of the pool of assets which will be subject to the Chapter 11 process.

2.7. The REIT Trustee will update Stapled Securityholders of any material developments in respect of the Chapter 11 cases and EHT's remaining properties at the appropriate juncture.

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 and/or reorganisation under Chapter 11 or that Stapled Securityholders will receive any value in the event of a disposal of EHT's properties whether pursuant to the Chapter 11 cases, the Section 363 sale process and/or the Revised CPDG Disposal, 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: 18 October 2021

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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.

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