

**EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

TABLE OF CONTENTS

Item No.	Description	Page No.
-	Introduction	2 – 5
-	Summary of Eagle Hospitality Trust’s Results	5
1(a)(i)(ii)	Consolidated Statement of Comprehensive Income and Distribution Statement	6 – 7
1(b)(i)	Statements of Financial Position	8 – 10
1(b)(ii)	Aggregate Amount of Borrowings and Debt Securities	10 – 11
1(c)	Consolidated Statement of Cash Flows	12
1(d)(i)	Statements of Changes in Stapled Securityholders’ Funds	13
1(d)(ii)	Details of Any Changes in the Stapled Securities	14
1(d)(iii)	Total number of issued Stapled Securities	14
1(d)(iv)	Sales, transfers, disposal, cancellation and/or use of Treasury Stapled Securities	14
2 & 3	Audit Statement	14
4 & 5	Changes in Accounting Policies	14
6	Earnings Per Stapled Security (“EPS”) and Distribution Per Stapled Security (“DPS”)	15
7	Net Asset Value (“NAV”) and Net Tangible Asset (“NTA”) Per Stapled Security	15
8	Review of the Performance	16
9	Variance between Actual and Projection Results	17 – 18
10	Outlook & Prospects	19 – 21
11	Other Risk Factors	22 – 23
12 & 13	Distribution	24
14	General Mandate relating Interested Person Transactions	24
15	Confirmation Pursuant to Rule 705(5) of the Listing Manual	24
16	Confirmation Pursuant to Rule 720(1) of the Listing Manual	24
17	Use of Proceeds from Initial Public Offering	25

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

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

Introduction

Eagle Hospitality Trust (“EHT”) is a hospitality stapled group comprising Eagle Hospitality Real Estate Investment Trust (“EH-REIT”) and Eagle Hospitality Business Trust (“EH-BT”). EHT was listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 24 May 2019 (the “Listing Date”).

EH-REIT is a Singapore-based real estate investment trust established with the principal investment strategy of investing on a long-term basis, directly or indirectly, in a diversified portfolio of income-producing real estate which is used primarily for hospitality and/or hospitality-related purposes, as well as real estate-related assets in connection with the foregoing, with an initial focus on the United States.

EH-BT is a Singapore-based business trust which is presently dormant. Accordingly, the financial information of EH-BT has not been presented.

The initial portfolio of EHT (the “Initial Portfolio”) comprises 18 full service hotel properties consisting of nine Upper Upscale hotels, five Upscale hotels and four Upper Midscale hotels (the “Hotels” or the “Properties”) located in the United States, with a total of 5,420 rooms.

The features of each type of Hotel in the Initial Portfolio are set out below:

- **Upper Upscale:** Typically offer a full range of on-property amenities and services, including full service, all-day restaurants, room service (in most cases), recreational facilities, a fitness centre, and a business centre. In some cases, the Hotels feature concierges and spas. For Hotels that are in an airport market, they often offer a shuttle service to airport.
- **Upscale:** Offer an array of on-property amenities and services, including a F&B outlet offering breakfast (and in some cases a three-meal operation), recreational facilities (in some cases), a fitness centre and a business centre. For Hotels that are in an airport market, they often offer a shuttle service to airport.
- **Upper Midscale:** Feature a breakfast buffet, selected on-property amenities to include a fitness centre and selected business services. For Hotels that are in an airport market, they often offer a shuttle service to airport.

Hotel	Location	Market Segment	Number of Rooms
Sheraton Pasadena	Pasadena, California	Upper Upscale	311
Holiday Inn Hotel & Suites Anaheim	Anaheim, California	Upper Midscale	255
Embassy Suites by Hilton Anaheim North	Anaheim, California	Upper Upscale	223
Holiday Inn Hotel & Suites San Mateo	San Mateo, California	Upper Midscale	219
Four Points by Sheraton San Jose Airport	San Jose, California	Upscale	195
The Westin Sacramento	Sacramento, California	Upper Upscale	101
Embassy Suites by Hilton Palm Desert	Palm Desert, California	Upper Upscale	198
The Queen Mary Long Beach	Long Beach, California	Upscale	347
Renaissance Denver Stapleton	Denver, Colorado	Upper Upscale	400
Holiday Inn Denver East – Stapleton	Denver, Colorado	Upper Midscale	298
Sheraton Denver Tech Center	Denver, Colorado	Upper Upscale	263
Holiday Inn Resort Orlando Suites – Waterpark	Orlando, Florida	Upper Midscale	777
Crowne Plaza Dallas Near Galleria-Addison	Dallas, Texas	Upscale	428
Hilton Houston Galleria Area	Houston, Texas	Upper Upscale	292
Delta Hotels by Marriott Woodbridge	Woodbridge, New Jersey	Upper Upscale	312
Crowne Plaza Danbury	Danbury, Connecticut	Upscale	242
Doubletree by Hilton Salt Lake City Airport	Salt Lake City, Utah	Upscale	288
Hilton Atlanta Northeast	Atlanta, Georgia	Upper Upscale	271
Total			5,420

**EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

EH-REIT and EH-BT are managed by Eagle Hospitality REIT Management Pte. Ltd. (the "REIT Manager") and Eagle Hospitality Business Trust Management Pte. Ltd. (the "Trustee-Manager"), respectively.

EH-REIT was constituted by a trust deed dated 11 April 2019 entered into between the REIT Manager and DBS Trustee Limited as Trustee of EH-REIT (the "REIT Trustee"). EH-BT was constituted by a trust deed dated 11 April 2019.

The units in EH-REIT and EH-BT are stapled together as stapled securities in EHT ("Stapled Securities") under the terms of a stapling deed dated 11 April 2019 entered into between the REIT Manager, the REIT Trustee and the Trustee-Manager and cannot be traded separately.

EHT is presenting its financial results for the first quarter ended 31 March 2020 ("1Q 2020").

Distribution Policy

Distributions from EHT comprise distributions from EH-REIT and EH-BT.

EH-REIT's distribution policy is to distribute 100.0% of its distributable income for the financial year from 1 January 2020 to 31 December 2020. Thereafter, EH-REIT will distribute at least 90.0% of its annual distributable income for each subsequent financial year, with the actual level of distribution to be determined at the discretion of the Board of Directors of the REIT Manager.

The REIT Manager will need to review the financial results for the appropriate financial periods in totality to determine the actual level of distribution (if any), taking into consideration, amongst other things, the liquidity of EHT, the uncertainty on the master lessees' ability to make rental payments and fulfil its obligations under the Master Lease Agreements ("MLAs"), the default and acceleration of the US\$341.0 million syndicated credit agreement (the "Facilities Agreement"), the continuing inability of EHT to pay the distribution for FY2019 and the evolving situation of the COVID-19 pandemic and its collective impact on EHT.

EH-BT was dormant as at the Listing Date and no distributions will be made during the period that EH-BT remains dormant. In the event that EH-BT becomes active and profitable, EH-BT's distribution policy will be to distribute as much of its income as practicable, and the determination to distribute and the quantum of distributions to be made by EH-BT will be determined by the Trustee-Manager Board at its sole discretion.

Events after the Reporting Period

Reference should be made to the REIT Manager' announcements on SGXNET for events occurring after the Reporting Period, in particular but without limitation:

- i. Restrictions of certain bank accounts of the EH-REIT Group in connection with default and acceleration of the Facilities Agreement*

As announced by the REIT Manager on 20 April 2020 in the announcement titled "Update Announcement and Response to the SGX-ST's Queries", Bank of America, N.A., as the administrative agent ("Administrative Agent") for the lenders under the Facilities Agreement ("Lenders"), in assertion of their rights and remedies following the issuance of the notice of default and acceleration ("Notice") on 20 March 2020, has restricted access to certain bank accounts of EH-REIT's subsidiaries and the master lessees that were established with the Administrative Agent. The REIT Manager has also provided irrevocable instructions to DBS Bank (Hong Kong) Limited not to cause or permit any withdrawal or transfers from the bank account of an EH-REIT subsidiary held with DBS Bank (Hong Kong) Limited, whilst discussions with the Administrative Agents and the Lenders are ongoing during the temporary forbearance period. The Facilities Agreement also provides that no Borrower may, directly or indirectly, declare, order, make or set apart any sum for or pay any dividend or distribution following the acceleration of the Loan. In the Notice, the Administrative Agent expressly highlighted this restriction against the payment of any distributions. The issuance of the Notice therefore means that EH-REIT is now restricted under the terms of the Facilities Agreement from making payment of the Distribution.

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

ii. *Receipt of Notices of Default and Notices of Termination under the Respective Hotel Management Agreements*

As announced by the REIT Manager on 24 April 2020 in the announcement titled "Update Announcement – Appointment of Chief Restructuring Officers and other Updates", the REIT Manager and the REIT Trustee have been informed that several of the master lessees have received notices of defaults from the relevant hotel managers for defaults by such master lessees under the respective hotel management agreements ("HMAs") as a result of, *inter alia*, the master lessees' failure to provide and/or maintain sufficient working capital for the hotels' operations, and additional defaults resulting from the failure to pay management fees and/or failure to make funds available for the payment of hotel operating expenses.

In the same announcement, it was further disclosed that the REIT Manager and REIT Trustee had also been informed that certain master lessees have received notices of termination under the respective HMAs as a result of the master lessees' failure to cure its default of maintaining sufficient working capital for the hotels' operations.

Defaults by the master lessees under the HMAs in turn constitute defaults under the MLAs.

iii. *Notice of Default and Demand for Payment under the DW Mortgage Loan*

As announced by the REIT Manager on 24 April 2020 in the announcement titled "Update Announcement – Appointment of Chief Restructuring Officers and other Updates", the REIT Manager had received a notice of default and demand for payment ("DW Notice") in relation to the mortgage loan dated 21 May 2019 in respect of the Delta Woodbridge with a principal amount of US\$35.0 million ("DW Mortgage Loan") issued by Wells Fargo, National Association ("Wells Fargo").

The DW Notice states that Wells Fargo's rights and remedies include, (a) the right to declare the outstanding principal amount under the DW Mortgage Loan (together with all interest accrued and unpaid thereon and all other sums due immediately due and payable; (b) the right to cause the loan to bear interest at the default rate; and (c) the right to foreclose on the collateral. The DW Notice further indicates that Wells Fargo has exercised its right to cause the loan to bear interest at the default rate calculated from 1 April 2020 (being the date that the outstanding sum were due) and demanded for payment in full of all amounts currently due and payable under the loan).

The DW Mortgage Loan is secured against the Renaissance Woodbridge property in EHT's portfolio of properties. In an event of default under the DW Mortgage Loan, Wells Fargo may be able to initiate enforcement proceedings in respect of its security.

iv. *Termination of the BOTW Interest Rate Swap Agreement*

As announced by the REIT Manager on 15 May 2020 (the "15 May 2020 Announcement"), the REIT Manager had receive a notice of termination of the interest rate swap agreement ("BOTW Interest Rate Swap Agreement") entered into between EH-REIT (through on one of its subsidiaries) and Bank of the West ("BOTW") in relation to the loan under the Facilities Agreement.

Subsequently, the REIT Manager had received a letter from BOTW stating that the total amounts owing under the BOTW Interest Rate Swap Agreement was approximately US\$18.3 million, with default interest accruing on such amount with effect from the termination date in accordance with the applicable provisions of the BOTW Interest Rate Swap Agreement. This amount has become due and payable.

v. *Discovery of Interested Person Transactions*

As announced by the REIT Manager on 15 May 2020, the REIT Manager was subsequently informed by their United States legal counsel that they had discovered certain non-disturbance agreements that had been entered into by certain directors, on behalf of certain master lessors with the corresponding master lessees and relevant hotel manager. As set out in the announcement, entry into these non-disturbance agreements constitutes "interested person transactions" under Chapter 9 of the Listing Manual. Reference should be made to the 15 May 2020 Announcement for further details and analysis.

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

vi. *Covid-19 pandemic and continuing impact on the hospitality industry*

The outbreak of COVID-19 was declared by the World Health Organisation as a global pandemic on 11 March 2020, and subsequently declared a national emergency in the United States of America ("United States") on 13 March 2020. The spread of COVID-19, both globally and in the United States, has resulted in significant near-term uncertainty in global economies and unprecedented disruptions in the United States lodging industry. Consequently, the operations of and revenue stream from the portfolio has been severely disrupted and its full impact cannot be assessed.

Summary of Eagle Hospitality Trust's Results

	1Q 2020 ⁽¹⁾		
	Actual US\$'000	Projection ⁽²⁾ US\$'000	Variance %
Revenue	16,590	21,943	(24.4%)
Net property income	12,584	18,419	(31.7%)
Income available for distribution to Stapled Securityholders ⁽³⁾	–	12,530	NM
Distribution per Stapled Security ("DPS") (US cents) ⁽³⁾	–	1.434	NM
Annualised distribution yield (%)			
- Based on IPO listing price of US\$0.78	–	7.4%	NM
- Based on 1Q 2020 closing price of US\$0.137	–	NM	NM

NM – Not meaningful

Footnotes:

- (1) No comparative figures have been presented as EHT was constituted on 11 April 2019.
- (2) The Prospectus of EHT dated 16 May 2019 (the "Prospectus") disclosed a 12-month profit projection for the year from 1 January 2020 to 31 December 2020 (the "Projection"). Projection results were derived from the seasonal projection for 1Q 2020, based on the Projection Year 2020 as disclosed in the Prospectus.
- (3) There is no income available for distribution from 1 January 2020 to 31 March 2020, mainly due to the impairment loss on trade receivables recorded in 1Q 2020 as a result of the uncertainty on the master lessees' ability to make rental payments and fulfil its obligations under the MLAs. In this regard, there is no distribution per Stapled Security.

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

1(a)(i)(ii) Consolidated Statement of Comprehensive Income and Distribution Statement

		EHT	EH-REIT Group
<u>Consolidated Statements of Comprehensive Income</u>		1Q 2020 ⁽¹⁾	1Q 2020 ⁽¹⁾
		US\$'000	US\$'000
	Notes		
Revenue		16,590	16,590
Property expenses		(4,006)	(4,006)
Net property income		12,584	12,584
REIT Manager's management fee	1	–	–
REIT Trustee's fee		(52)	(52)
Other trust expenses	2	(1,367)	(1,364)
Finance income		138	138
Finance costs		(5,521)	(5,521)
Net finance costs		(5,383)	(5,383)
Impairment loss on trade and non-trade receivables	3	(14,012)	(14,012)
Profit before tax and change in fair value		(8,230)	(8,227)
Fair value change in investment properties	4	(529)	(529)
Loss before tax		(8,759)	(8,756)
Tax expense	5	(126)	(126)
Loss for the period ⁽²⁾	6	(8,885)	(8,882)
<u>Distribution Statement</u>			
Loss for the period	6	(8,885)	(8,882)
Distribution adjustments	7	8,885	8,882
Income available for distribution to Stapled Securityholders	8	–	–

Footnotes:

- (1) No comparative figures have been presented as EHT was constituted on 11 April 2019.
(2) Included in EHT's loss for the period is EH-BT's other trust expenses of US\$2,800.

Notes:

- REIT Manager's management fee is based on 10.0% of distributable income. There is no REIT Manager's management fee for 1Q 2020, as a result of the nil distributable income from 1 January 2020 to 31 March 2020.
- Other trust expenses consist of recurring expenses and legal fees.

Recurring expenses relate to compliance expenses, registry and secretarial fees, audit and tax advisory fees and other miscellaneous expenses.

Legal fees are mainly incurred in connection with the default under the MLAs. To the extent that any such fees are reasonably incurred in connection with any default under the MLAs, they would fall within the scope of the lessees' indemnity obligation under MLAs.

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

3. Impairment loss on trade receivables and non-trade receivables comprise:
 - (1) Rental receivable from master lessees recorded as of 31 March 2020 and relating to the rental due from January to March 2020 have been fully impaired as a result of the uncertainty on the master lessee's ability to make rental payments and fulfil its obligations under MLAs; and
 - (2) Impairment loss on other receivables due to uncertainty on the recoverability.
4. The change in fair value recorded in 1Q 2020 relates to straight line rent accounting adjustments.
5. Tax expense consist of current tax and deferred tax expenses. Current tax expense comprises mainly of income tax payable. Deferred tax is recognised in respect of temporary differences between the carrying amounts used, mainly derived for financial reporting purposes, and the amounts used for taxation purposes.
6. As a result of the above, EHT recorded a loss for the period of approximately US\$8.9 million.
7. Included in distribution adjustments are the following:

	EHT
	1Q 2020 ⁽¹⁾
	US\$'000
<u>Distribution adjustments</u>	
REIT Trustee's fee	52
Amortisation of upfront debt-related transaction costs	622
Straight-lining of rental income, amortisation of deferred income and other revenue adjustments	(778)
Finance costs	69
Fair value change in investment properties	529
Deferred tax expense	61
Property tax expense	1,276
Drawdown of interest reserve account	259
Accretion of security deposit	121
Other adjustments ⁽²⁾	6,674
Distribution adjustments	8,885

Footnotes:

- (1) No comparative figures have been presented as EHT was constituted on 11 April 2019.
 - (2) This relates to an upward adjustment made to arrive at the nil distribution income for 1Q 2020.
8. There is no income available for distribution from 1 January 2020 to 31 March 2020, mainly due to the impairment loss on trade receivables recorded in 1Q 2020, as a result of the uncertainty on the master lessees' ability to make rental payments and fulfil its obligations under the MLAs.

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

1(b)(i) Statements of Financial Position

Note	EHT		EH-REIT Group		EH-BT ⁽¹⁾		
	As at 31 Mar 2020 US\$'000	As at 31 Dec 2019 US\$'000	As at 31 Mar 2020 US\$'000	As at 31 Dec 2019 US\$'000	As at 31 Mar 2020 US\$'000	As at 31 Dec 2019 US\$'000	
Assets							
Non-current assets							
Investment properties	1	1,267,480	1,267,480	1,267,480	1,267,480	–	–
		1,267,480	1,267,480	1,267,480	1,267,480	–	–
Current assets							
Trade and other receivables	2	2,293	17,798	2,293	17,798	–	–
Cash and cash equivalents	3	88,595	76,926	88,595	76,926	–	–
		90,888	94,724	90,888	94,724	–	–
Total assets		1,358,368	1,362,204	1,358,368	1,362,204	–	–
Liabilities							
Non-current liabilities							
Trade and other payables	4	27,162	28,027	27,162	28,027	–	–
Loans and borrowings	5	161,157	497,516	161,157	497,516	–	–
Lease liabilities		6,849	6,855	6,849	6,855	–	–
Derivative liabilities	6	17,356	4,699	17,356	4,699	–	–
Deferred tax liabilities		39,561	39,501	39,561	39,501	–	–
		252,085	576,598	252,085	576,598	–	–
Current liabilities							
Trade and other payables	4	41,251	5,727	41,238	5,717	13	10
Loans and borrowings	5	337,472	746	337,472	746	–	–
Lease liabilities		25	25	25	25	–	–
Current tax liabilities		85	–	85	–	–	–
		378,833	6,498	378,820	6,488	13	10
Total liabilities		630,918	583,096	630,905	583,086	13	10
Net assets/(liabilities)		727,450	779,108	727,463	779,118	(13)	(10)
Stapled Securityholders' funds							
Stapled Securities in issue and to be issued		679,988	679,988	679,988	679,988	–	–
Issue costs		(38,347)	(38,347)	(38,347)	(38,347)	–	–
Hedging reserve	6	(17,356)	(4,699)	(17,356)	(4,699)	–	–
Retained earnings/(Accumulated losses)	7	103,165	142,166	103,178	142,176	(13)	(10)
Total Stapled Securityholders' funds		727,450	779,108	727,463	779,118	(13)	(10)

Footnote:

(1) EH-BT was dormant during the period.

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

Notes:

1. Property appraisals are carried out on an annual basis by independent valuers. Investment properties were valued by an independent valuer, SG&R Singapore Pte Ltd (trading as HVS) as at 31 December 2019, and includes the recognition of right-of-use asset arising from the adoption of IFRS 16 in relation to EHT's operating lease that qualifies as an investment property and accounting for rental income on a straight-line basis.

The outbreak of COVID-19 was declared by the World Health Organisation as a global pandemic on 11 March 2020, and subsequently declared a national emergency in the United States of America ("United States") on 13 March 2020. The spread of COVID-19, both globally and in the United States, has resulted in significant near-term uncertainty in global economies and unprecedented disruptions in the United States lodging industry, which we operate in.

As disclosed in the 24 March 2020 announcement "Business Strategic Review and Update", the REIT Manager highlighted that recent projections provided by the master lessees and discussed with the Managers reflect significant operating dislocation. Based on the current market outlook, the productivity of the properties is expected to be insufficient as compared to the Master Lessees' payment obligations to EHT. The board of directors of the Managers (the "Board") has developed material concerns about the viability of the existing terms and arrangements under the MLAs in the current environment and consequential impact on the Master Lessees' ability to fulfil their commitments.

Consequently, the valuations of investment properties are subject to significant estimation uncertainty, and the value of investment properties may vary or change significantly. Given the above, there remains too much uncertainty and it is not yet possible to quantify the resultant impact on the valuation of the investment properties.

2. Trade and other receivables as of 31 March 2020 was lower than 31 December 2019 mainly due to:
 - (1) Rental receivables from master lessees as of 31 December 2019 had been fully settled;
 - (2) non-trade receivables as of 31 December 2019 had been partially settled subsequently and the remaining outstanding balance had been impaired due to uncertainty on the recoverability; and
 - (3) Rental receivable from master lessees recorded as of 31 March 2020 had been fully impaired as a result of the uncertainty on the master lessees' ability to make rental payments and fulfil its obligations under MLAs.

Under the MLAs, the Master Lessees are to pay an interest on demand on overdue amounts at a rate calculated in accordance with the applicable MLA. Such interests have not been reflected in the statement of comprehensive income. The Master Lessors reserve the right to impose default interest on the unpaid rent. There is no certainty of the master lessees' ability to make its rental payments and/or relevant interest payments, under the MLAs.

3. Cash and cash equivalents as of 31 March 2020 was higher than 31 December 2019 mainly due to receipt of 2019 rental receivables, partially offset by the repayment of mortgage loans, payment of interest expenses, payment of property expenses and other trust expenses during the period.

The utilisation of the cash and cash equivalents have been largely restricted since 20 March 2020 pursuant to the terms of the temporary forbearance agreement entered into with the Administrative Agent, the Lenders and the relevant entities of EHT and for the duration of such agreement. See further footnote 2 at page 13 below.

4. Trade and other payables as of 31 March 2020 was higher than 31 December 2019 mainly due to:
 - (1) Distribution payable of US\$30.1 million for the financial period from 24 May 2019 to 31 December 2019 (see Note 7 below);
 - (2) US\$5.0 million of security deposits received from master lessees as part of the amendment to the MLAs to grant the extension of time for master lessees to provide the balance of approximately US\$15.0 million of incremental security deposits by 8 June 2020 (refer to EHT announcement dated 19 March 2020 titled "Business Strategic Review and Update");
 - (3) Property tax recognized but not yet paid as at 31 March 2020; and
 - (4) Interest payable for loans and borrowings.

The increase is partially offset by US\$1.5 million drawn from security deposits in respect of 3 properties, which have been used to set off against the rental receivables under the MLAs for the same 3 properties.

5. As of 31 March 2020, US\$341.0 million in term loans had been reclassified from non-current liabilities to current liabilities due to the default and acceleration that occurred under the Facilities Agreement, as a

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

result of the master lessees' non-payment of rent to EHT under the MLAs. Refer to EHT announcement dated 24 March 2020 titled "Request for Voluntary Trading Suspension" for more details on the notice of default and acceleration in relation to Facilities Agreement.

6. This relates to fair value of the interest rate swaps entered into by EHT for hedging purpose.
7. Retained earnings as of 31 March 2020 was lower than 31 December 2019 mainly due to the loss position of EHT for 1Q 2020 and the distribution for the financial period from 24 May 2019 to 31 December 2019 ("Distribution") as disclosed in the announcement "Notice of Record Date and Distribution Payment Date" dated 17 February 2020. The retained earnings as reflected assume that such earnings will continue to be retained for the Distribution. However, there is no certainty or assurance as to if and when the Distribution can or will be made at all.

Refer to EHT's announcement dated 24 March 2020 titled "Request for Voluntary Trading Suspension", which states that no payment of the Distribution will be made on 30 March 2020 as originally scheduled and announced in the announcement "Notice of Record Date and Distribution Payment Date" dated 17 February 2020, pursuant to the issuance of the notice of default and acceleration in relation to the Facilities Agreement which restricts the payment of the Distribution. As stated in the same announcement and in subsequent update announcements issued by the REIT Manager from time to time, there is no certainty or assurance as to if and when the Distribution can or will be made at all.

1(b)(ii) Aggregate Amount of Borrowings and Debt Securities

	EHT and EH-REIT Group	
	As at 31 Mar 2020 US\$'000	As at 31 Dec 2019 US\$'000
<u>Secured loans and borrowings</u>		
Amount repayable within one year	342,210	1,165
Less: Unamortised transaction costs	(4,738)	(419)
	337,472	746
Amount repayable after one year	75,147	416,447
Less: Unamortised transaction costs	(419)	(5,217)
	74,728	411,230
Total secured loans and borrowings	412,200	411,976
<u>Unsecured loans and borrowings</u>		
Amount repayable after one year	89,000	89,000
Less: Unamortised transaction costs	(2,571)	(2,714)
Total unsecured loans and borrowings	86,429	86,286
Grand total	498,629	498,262

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

On 20 March 2020, EHT received the Notice in relation to the Facilities Agreement, issued on behalf of Bank of America ("BofA"), the administrative agent for a syndicate of lenders on a syndicated term loan of which US\$341.0 million had been borrowed. Based on the Notice, an event of default had occurred under the Facilities Agreement, due to master lessees' non-payment of rent under the MLAs (Refer to EHT announcement dated 24 March 2020 titled "Request for Voluntary Trading Suspension").

As at 31 March 2020, these term loans were fully drawn down and US\$0.9 million has been repaid for mortgage loans. 93% of the loans and borrowings had been hedged using floating-for-fixed interest rate swaps. The weighted average all-in cost of borrowing for 31 March 2020, including debt-related transaction costs, was 3.9%. Aggregate leverage, as defined in the Property Funds Appendix, as at the end of the period was 37.3%.

Subsequent to the Reporting Period, the REIT Manager had received a notice of default and demand for payment in relation to the mortgage loan dated 21 May 2019 in respect of the Delta Woodbridge with a principal amount of US\$35.0 million issued by Wells Fargo, National Association as announced by the REIT Manager on 24 April 2020 in the announcement titled "Update Announcement – Appointment of Chief Restructuring Officers and other Updates" (Refer to Page 4 – Events after the Reporting Period for further details).

As announced by the REIT Manager on 15 May 2020 (the "15 May 2020 Announcement"), the REIT Manager had receive a notice of termination of the interest rate swap agreement ("BOTW Interest Rate Swap Agreement") entered into between EH-REIT (through one of its subsidiaries) and Bank of the West ("BOTW") in relation to the term loans under the Facilities Agreement (Refer to Page 4 – Events after the Reporting Period for further details).

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

1(c) Consolidated Statement of Cash Flows

	EHT	EH-REIT Group
	1Q 2020 ⁽¹⁾	1Q 2020 ⁽¹⁾
	US\$'000	US\$'000
Cash flows from operating activities		
Loss for the period ⁽²⁾	(8,885)	(8,882)
Adjustments for:		
Straight-lining of rental income, amortisation of deferred income and other revenue adjustments	(778)	(778)
Finance income	(138)	(138)
Finance costs	5,521	5,521
Fair value change in investment properties	529	529
Impairment loss on trade receivables	14,012	14,012
Tax expense	126	126
Operating income before working capital changes	10,387	10,390
Changes in working capital:		
Trade and other receivables	1,483	1,483
Trade and other payables	2,241	2,238
Net cash generated from operating activities	14,111	14,111
Cash flows from investing activity		
Interest received	147	147
Net cash generated from investing activity	147	147
Cash flows from financing activities		
Repayment of borrowings	(255)	(255)
Movement in restricted cash	(30,223)	(30,223)
Finance costs paid	(6,012)	(6,012)
Net cash used in financing activities	(36,490)	(36,490)
Net decrease in cash and cash equivalents	(22,232)	(22,232)
Cash and cash equivalents at beginning of the period	26,658	26,658
Cash and cash equivalents at end of the period ⁽³⁾	4,426	4,426

Footnotes:

- (1) No comparative figures have been presented as EHT was constituted on 11 April 2019.
(2) Included in EHT's loss for the period is EH-BT's other trust expenses of US\$2,800.
(3) Cash and cash equivalents for EHT as at 31 March 2020 are as follows:

	EHT and EH-REIT Group
	As at 31 Mar 2020 US\$'000
Cash and cash equivalents in the statements of financial position	88,595
Less: Restricted cash ⁽¹⁾	(84,169)
Cash and cash equivalents in the consolidated statement of cash flows	4,426

Footnote:

- (1) Restricted cash mainly relates to rental deposits received in cash from the master lessees which are pledged for term loan facilities granted to EHT, reserve funds of US\$25.0 million required to be maintained under the terms of certain mortgage loans, US\$0.1 million maintained to fund certain capital improvement works as required under the terms of the MLAs, and US\$5.0 million in general business accounts which have been restricted for withdrawal and transfer due to the default under the Facilities Agreement. The restricted cash also includes US\$30.4 million in a bank account held with DBS Bank (Hong Kong) Limited which the REIT Manager has provided irrevocable instructions not to cause or permit any withdrawal or transfers whilst discussions with the Administrative Agents and the Lenders are ongoing during the temporary forbearance period.

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

1(d)(i) Statements of Changes in Stapled Securityholders' Funds

	1Q 2020 ⁽¹⁾											
	EHT					EH-REIT Group					EH-BT	
	Units in issue and to be issued US\$'000	Issue expenses US\$'000	Hedging reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Units in issue and to be issued US\$'000	Issue expenses US\$'000	Hedging reserve US\$'000	Retained earnings US\$'000	Total US\$'000	Accumulated losses US\$'000	Total US\$'000
At the beginning of the period	679,988	(38,347)	(4,699)	142,166	779,108	679,988	(38,347)	(4,699)	142,176	779,118	(10)	(10)
Total comprehensive income for the period												
Loss for the period	–	–	–	(8,885)	(8,885)	–	–	–	(8,882)	(8,882)	(3)	(3)
<u>Other comprehensive income</u>												
Effective portion of changes in fair value of cash flow hedges	–	–	(12,657)	–	(12,657)	–	–	(12,657)	–	(12,657)	–	–
Total other comprehensive income	–	–	(12,657)	–	(12,657)	–	–	(12,657)	–	(12,657)	–	–
Total comprehensive income for the period	–	–	(12,657)	(8,885)	(21,542)	–	–	(12,657)	(8,882)	(21,539)	(3)	(3)
Transactions with unitholders, recognised directly in equity												
<u>Contributions by and distributions to unitholders</u>												
Distribution ⁽²⁾	–	–	–	(30,116)	(30,116)	–	–	–	(30,116)	(30,116)	–	–
Total contributions by and distributions to unitholders⁽²⁾	–	–	–	(30,116)	(30,116)	–	–	–	(30,116)	(30,116)	–	–
Total transactions with unitholders⁽²⁾	–	–	–	(30,116)	(30,116)	–	–	–	(30,116)	(30,116)	–	–
At 31 March 2020	679,988	(38,347)	(17,356)	103,165	727,450	679,988	(38,347)	(17,356)	103,178	727,463	(13)	(13)

Footnotes:

(1) No comparative figures have been presented as EHT was constituted on 11 April 2019.

(2) No payment of the Distribution had been made on 30 March 2020 as originally scheduled. See further Note 7 at page 10 above.

**EAGLE HOSPITALITY TRUST
 UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
 FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

1(d)(ii) Details of any changes in Stapled Securities

	EHT
	1Q 2020 ⁽¹⁾
	No. of Stapled Securities
Stapled securities in issue:	
At the beginning of the period	870,866,094
Movements during the period:	
- REIT Manager's management fee paid in stapled securities for the period 1 October 2019 to 31 December 2019	1,884,024
Total issued Stapled Securities as at the end of the period	872,750,118
Total stapled securities issued and to be issued as at end of the period	872,750,118

Footnote:

(1) No comparative figures have been presented as EHT was constituted on 11 April 2019.

1(d)(iii) To show the total number of issued stapled securities excluding treasury shares at the end of the current financial period, and as at the end of the immediately preceding year

EHT does not hold any treasury stapled securities as at 31 March 2020. The total number of issued Stapled Securities in EHT was 872,750,118.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited nor reviewed.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied

EHT has applied the same accounting policies and methods of computation as disclosed in the Prospectus in the preparation of the financial statements for the current reporting period.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

6 Earnings Per Stapled Security (“EPS”) and Distribution Per Stapled Security (“DPS”)

EPS

Basic EPS

Weighted average number of Stapled Securities in issue and issuable
 Basic EPS (US cents)

Diluted EPS

Weighted average number of Stapled Securities in issue and issuable
 Diluted EPS (US cents)

EHT	
1Q 2020 ⁽¹⁾	
872,750,118	(1.018)
872,750,118	(1.018)

DPS

Number of Stapled Securities in issue and issuable at end of period
 DPS (US cents) ⁽²⁾

EHT	
1Q 2020 ⁽¹⁾	
872,750,118	–

Footnotes:

- (1) No comparative figures have been presented as EHT was constituted on 11 April 2019.
- (2) There is no income available for distribution from 1 January 2020 to 31 March 2020, mainly due to the impairment loss on trade receivables recorded in 1Q 2020 as a result of the uncertainty on the Master Lessees’ ability to make rental payments and fulfil its obligations under the MLAs. In this regard, there is no distribution per Stapled Security.

7 Net Asset Value (“NAV”) and Net Tangible Asset (“NTA”) per Stapled Security based on issued and issuable stapled securities at the end of (a) the current financial period reported on and (b) immediately preceding financial year

Number of Stapled Securities in issue and to be issued
 Net asset value/net tangible assets attributable to stapled securityholders (US\$’000)
 NAV and NTA per Stapled Security (US cents) ⁽¹⁾

EHT	
As at 31 Mar 2020	As at 31 Dec 2019
872,750,118	872,750,118
727,450	779,108
83.35	89.27

Footnote:

- (1) The computation of NAV and NTA was based on number of stapled securities in issue and to be issued as at the end of the period. NAV and NTA is the same as there was no intangible asset as at the end of the period.

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

8 Review of Performance

On 24 March 2020, the REIT Manager announced that it had on 20 March 2020 received the Notice in relation to the Facilities Agreement issued on behalf of the Administrative Agent for the Lenders under the Facilities Agreement. The Notice states that as a result of such event of default, the Administrative Agent, on behalf of the Lenders under the Facilities Agreement, is entitled to and is exercising its rights and remedies under the Facilities Agreement, including the right to accelerate the entirety of the loan as a result of which a principal amount of US\$341.0 million was declared to have become immediately due and owing.

As announced on 1 April 2020, the Special Committee of the REIT Manager have been working with the Administrative Agent and the lenders to, among other things, negotiate with an objective of obtaining an agreement with the Administrative Agent and the Lenders in respect of a longer-term forbearance agreement, including a consensual strategy moving forward. However, as disclosed in the same announcement, there is no certainty or assurance that any discussions or prospects will be successfully concluded or any definitive arrangements in relation to any transactions will be entered into, including whether there will be any satisfactory resolution with the administrative agent and the lenders. Consequently, EHT's portfolio of properties remain at risk upon enforcement action by the lenders.

The unaudited financial statements for 1Q 2020 have been prepared based on certain key assumptions and adjustments as follows:

- i. The unaudited financial statements have been prepared on a going concern basis on the assumption that the Administrative Agent will not act to foreclose the entirety of the loan due and owing under the Facilities Agreement and/or other parties do not seek to enforce their rights to any receivables.
- ii. The financial effects of certain developments affecting EHT after 31 March 2020 are not reflected in the 1Q 2020 financial statements. Please refer to further announcements of the REIT Manager for more information. The Special Committee of the REIT Manager will continue to update its Stapled Securityholders on any significant developments as and when appropriate.

Please refer to Section 9 for a review of the actual results for 1Q 2020 against the projection as disclosed in the Prospectus.

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

- 9 Where a forecast, or a prospect statement, has been previously disclosed to Stapled Securityholders, any variance between it and the actual results.

Variance between Actual and Projection Results

		EHT		
		1Q 2020 ⁽¹⁾		
<u>Consolidated Statement of Comprehensive Income</u>	Note	Actual US\$'000	Projection ⁽²⁾ US\$'000	Variance %
Revenue	1	16,590	21,943	(24.4%)
Property expenses	2	(4,006)	(3,524)	13.7%
Net property income		12,584	18,419	(31.7%)
REIT Manager's management fees	3	–	(1,253)	(100.0%)
REIT Trustee's fees		(52)	(68)	(23.5%)
Other trust expenses	4	(1,367)	(482)	183.6%
Finance income		138	157	(12.1%)
Finance costs		(5,521)	(5,770)	(4.3%)
Net finance costs		(5,383)	(5,613)	(4.1%)
Impairment loss on trade and non-trade receivables	5	(14,012)	–	n.m.
Profit before tax and change in fair value		(8,230)	11,003	n.m.
Fair value change in investment properties	6	(529)	–	n.m.
Loss before tax		(8,759)	11,003	n.m.
Tax expense	7	(126)	–	n.m.
Loss for the period	8	(8,885)	11,003	n.m.

Distribution Statement

Loss for the period	8	(8,885)	11,003	n.m.
Distribution adjustments		8,885	1,527	n.m.
Income available for distribution to Stapled Securityholders	9	–	12,530	n.m.

NM – Not meaningful

Footnotes:

- (1) No comparative figures have been presented as EHT was constituted on 11 April 2019.
- (2) The Prospectus disclosed a 12-month profit projection for the year from 1 January 2020 to 31 December 2020 (the "Projection"). Projection results were derived from the seasonal projection for 1Q 2020, based on the Projection Year 2020 as disclosed in the Prospectus.

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

Notes:

1. Revenue for 1Q 2020 was US\$16.6 million, which was 24.4% below projection. This was mainly due to the global COVID-19 pandemic where travel restrictions and stay-at-home orders were implemented in March 2020, a traditionally stronger month within the first quarter, resulting in significant decline in our RevPAR. Specifically, our upper-upscale properties mostly located in international gateway cities as well as those near airports, were greatly affected by such restrictions and orders.
2. Property expenses for 1Q 2020 was US\$4.0 million, which was 13.7% higher than projection mainly due to property tax expense is recognised when EHT receives the invoice for payment whereas the projected property tax expenses derived from the Projection Year 2020 was on a pro-rata basis of 91 days.
3. REIT Manager's management fee is calculated at 10.0% of distributable income. There is no REIT manager's management fee for 1Q 2020, as a result of the nil distributable income from 1 January 2020 to 31 March 2020.
4. Other trust expenses for 1Q 2020 was US\$1.4 million, which was significantly higher than projection. This was mainly pertaining to legal fees incurred due to the default under the MLAs.
5. Impairment loss on trade receivables and non-trade receivables comprise:
 - (1) Rental receivable from master lessees recorded as of 31 March 2020 and relating to the period from 1 January 2020 to 31 March 2020 have been fully impaired as a result of the uncertainty on the Master Lessees' ability to make rental payments and fulfil its obligations under MLAs; and
 - (2) Impairment loss on other receivables due to uncertainty on the recoverability.
6. The change in fair value recorded in 1Q 2020 relates to straight line rent accounting adjustments.
7. Tax expense consist of current tax and deferred tax expenses. Current tax expense comprises mainly of income tax payable. Deferred tax is recognised in respect of temporary differences between the carrying amounts used, mainly derived for financial reporting purposes, and the amounts used for taxation purposes.
8. As a result of the above, EHT recorded a loss for the period of approximately US\$8.9 million.
9. There is no income available for distribution for the period from 1 January 2020 to 31 March 2020, mainly due to the impairment loss on trade receivables recorded in 1Q 2020, as a result of the uncertainty on the Master Lessee's ability to make rental payments and fulfil its obligations under the MLAs.

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

10 Commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

As a result of the COVID-19 pandemic, many countries around the world have implemented enhanced social distancing or partial or total lockdown measures, resulting in a sharp decrease in traveller volume in the United States. Within the United States, the outbreak has been closely monitored, with stringent travel restrictions and stay-at-home orders put in place by many states, including those in which EHT's hotels operate. These developments have caused significant disruptions to market demand across EHT's hotels and have affected the revenue streams of these hotels. To date, 14 of EHT's hotels have shuttered and the cessation of operations is expected to have a significant impact on both the fixed and variable rent EHT expects to receive in 2020 which were based on pre-COVID-19 forecast.

The REIT Manager and the Trustee-Manager (collectively, the "Managers") are withdrawing the IPO profit and distribution forecast for the financial year ending 31 December 2020 ("FY2020") as set out in EHT's IPO prospectus, as it is no longer a fair basis against which the actual performance of EHT could be compared given the following circumstances.

As previously disclosed in the 19 March 2020 announcement "Business Strategic Review and Update", the 20 April 2020 announcement "Update Announcement and Response to the SGX-ST's Queries" and the 24 April 2020 announcement "Update Announcement – Appointment of Chief Restructuring Officers and other Updates", there have been various delinquencies on the part of Master Lessees in providing security deposits and paying for rent for the months of January to March 2020 under their master leases with EHT as well as in performing various obligations under their hotel management agreements with third party hotel operators, all of which have not been remedied to date. Further, the Master Lessees have not paid the rent for the month of April 2020 under their master leases with EHT. There is currently no visibility on whether the Master Lessees will remedy these delinquencies, if at all, or whether the Master Lessees will be able to perform their contractual obligations in future, especially coupled with the uncertainty in business prospects due to COVID-19 as outlined below. In relation to the foregoing, contingency measures have been implemented, such as instituting temporary caretaker arrangements at some of EHT's hotels, to preserve asset value.

On a related note, as previously disclosed in the 24 March 2020 announcement "Request for Voluntary Trading Suspension", the 1 April 2020 announcement "Update Announcement – Special Committee Established", as a result of the Master Lessees' non-payment of rent, a notice of default and acceleration in relation to a facilities agreement entered into by EH-REIT, through certain of its subsidiaries, has been issued by the administrative agent acting on behalf of the lenders, declaring that a principal amount of US\$341.0 million has become due and payable. As subsequently disclosed in the 15 May 2020 announcement "Update Announcement – (1) Termination of Interest Rate Swap Agreement, (2) Discovery of Interested Person Transactions, and (3) Liabilities of Master Lessees", pursuant to the subsequent termination of an interest rate swap arrangement with one of the lenders under the Facilities Agreement, there has been a further addition of US\$18.3 million to this outstanding amount. While the lenders have agreed to a temporary forbearance from exercising their rights and remedies in relation to the defaults, there is currently no certainty that a long-term forbearance or any other form of satisfactory resolution will be achieved with the lenders. As such, the prospects of a consensual restructuring of EHT remains uncertain and EHT's portfolio of properties remain at risk upon enforcement action by the lenders.

As further disclosed in the 15 May 2020 announcement "Update Announcement – (1) Termination of Interest Rate Swap Agreement, (2) Discovery of Interested Person Transactions, and (3) Liabilities of Master Lessees", it has been recently brought to the attention of the Managers and the REIT Trustee that there were six non-disturbance agreements in relation to six hotel management agreements entered into between the relevant master lessors, the relevant master lessees and the hotel manager for those six properties, under which the master lessors have provided guarantees to the payment and performance of the master lessees' obligations under the relevant hotel management agreements. The Managers are currently working with its professional advisers to assess the financial ramifications of EHT's potential exposure under these non-disturbance agreements and the impact on its financial performance remains difficult to quantify in the foreseeable future. Contingent liabilities of approximately US\$14.0 million arising from these non-disturbance agreements which the master lessors have provided guarantees to the payment and performance of the master lessees' obligations under such hotel management agreements.

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

US Economic and Lodging Market Outlook¹

Due to the global pandemic outbreak, US Real GDP² is estimated to have contracted 4.8% in 1Q 2020, ending the longest period of US economic expansion on record. With lockdowns in place as well as cost-cutting measures, US job market suffered greatly with unemployment rate³ increasing to 4.4% as of 1Q 2020, and continues to increase sharply, reaching 14.7% as of April 2020. Similarly, consumer confidence⁴ deteriorated significantly to 89.1 in 1Q 2020 and is currently at 71.8 as of April 2020.

The Lodging sector will continue to face two main headwinds: a contraction in overall economic activity and the need for social distancing, which encourages staying at home or in settings with few other humans; and not traveling. This will cause a severe decline in lodging demand in the US as it has in other countries.

The impact is expected to be greatest in gateway cities that cater to international and business travellers, and those that accommodate large groups for conventions and conferences. The drop in foreign travellers which accounts for 8.0% of total U.S. hotel demand will especially impact gateway hospitality markets such as New York, Los Angeles, Miami and Orlando.

Additionally, markets that have their peak season during the spring (March-May) will also see a more severe impact since these months can generate a significant portion of their full year revenues and profits. These hotels will not only realize the same declines in occupancy that most markets will see, but also lose out on the large room rate premiums that they were able to charge during the peak season.

Overall, it is estimated that 2020's US RevPAR will decline 46.0% y-o-y. An estimated 35.6% y-o-y decline in 2020's Occupancy Rates will be the primary impact of Lodging performance. 2020's ADR (Average Daily Rates) are also estimated to decline by 16.2% y-o-y.

Due to the various uncertainties affecting EHT's financial position for the foreseeable future as set out above, the IPO profit and distribution forecast for FY2020, which was based on a set of assumptions, of which some would no longer be practical and realistic given the abovementioned events, is no longer an appropriate benchmark of performance and is thus withdrawn. For example, the IPO profit and distribution forecast for FY2020 was on the assumption that the gross operating revenue and gross operating profit of EH-REIT would be approximately US\$355.0 million and US\$117.0 million respectively, based on, inter alia, an average occupancy rate of 76.8% for the hotels and an average revenue per available hotel room of US\$110.6. However, in light of the current COVID-19 pandemic and lockdown measures implemented, such average occupancy rate and revenue per available hotel room would not be achievable. Further, the IPO profit and distribution forecast for FY2020 was also on the basis that all of the master leases would be performed by the Master Lessees in accordance with their terms and that there will be no pre-termination of the master leases. As mentioned above and in the 15 May 2020 announcement "Update Announcement – (1) Termination of Interest Rate Swap Agreement, (2) Discovery of Interested Person Transactions, and (3) Liabilities of Master Lessees", there have been multiple breaches and defaults by the Master Lessees under the master leases. The Managers have been following up actively on these rental delinquencies and other breaches by the Master Lessees, including consulting its professional advisers on legal rights and remedies and appropriate exercise thereof. Despite assertions by the Master Lessees that they should be excused from non-performance by reason of provisions pertaining to force majeure and other events under the MLAs, the Managers' United States legal counsel's advice is that these assertions are without merit. The Managers' position is therefore that the Master Lessees remain fully obliged to fulfil all their obligations under the master leases and all rights of the Master Lessors against the Master Lessees under the master leases are expressly reserved. It is unclear if and when the Master Lessees would be able to remedy such delinquencies and all rights and remedies against the Master Lessees will need to be explored including if appropriate termination of the master leases.

As a result of the foregoing events which have taken place, any attempt to seek to quantify a deviation from the IPO profit and distribution forecast for FY2020 would be speculative and without reasonable and proper bases.

¹ Source: Independent Market Research unless otherwise stated

² Source Bureau of Economic Analysis, United States Department of Commerce

³ Source: Bureau of Labor Statistics, United States Department of Labor

⁴ Source: University of Michigan

**EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

Preservation of the Properties in EHT's Portfolio

Given the uncertainties arising from the Master Lessees' ability to fulfil its obligations under the MLAs, Hotel Managements Agreements and/or Franchise Agreements with respect to the Properties, the Managers and the REIT Trustee have been in close discussions with its advisers and lenders to come to mutually agreeable options in ensuring, amongst other things, the preservation of value of the investment properties in EHT's portfolio. As previously disclosed in its announcement dated 28 April 2020 titled "Update Announcement – Appointment of Financial Adviser and Implementation of Temporary Caretaker Arrangements at Certain Hotels", the relevant Master Lessors, at the direction of the Managers with the advice of professional advisors and the approval of the REIT Trustee, the Administrative Agent and the Lenders, had entered into a hotel caretaker agreement with affiliates of GF Hotel & Resorts to provide and implement temporary caretaker services at certain hotels pursuant to termination of the relevant Hotel Management Agreements at these properties.

As the Managers and the REIT Trustee continue with its Strategic Review, including an assessment of the appropriateness of the MLAs, it may be necessary and in the interest of EHT to enter into arrangements to protect the properties from waste, damage and/or deterioration so as to safeguard the asset value of its portfolio and minimise losses experienced at the property level during the COVID-19 period. This may result in utilising EHT's resources, such as its cash and cash equivalents (including restricted cash subject to the rights and remedies of the Administrative Agent and the Lenders under Facilities Agreement, as well as the cash which were originally considered to be have been available to fund the payment of Distributions).

In doing so, the Managers will leverage on its external advisers' professional advice, as well as work cooperatively with its lenders, to ensure that all costs and expenses incurred is with the primary intention protect its asset base and preserve underlying value of its properties. The Managers will continue to proactively monitor and manage its property portfolio in the best interests of EHT and its Stapled Securityholders, taking into consideration the impact from the developing COVID-19 situation.

**EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

11 Other Risk Factors

In light of the recent events surrounding EHT, such as the uncertainty of the master lessees' ability to make rental payments and fulfil its obligations under the MLAs, the default and acceleration of the Facilities Agreement and the outbreak of the COVID-19 pandemic, the REIT Manager wishes to highlight some of the material risks it currently faces. It should be noted that the full consequences and implications which have been disclosed in the REIT Manager' announcements thus far cannot necessarily be appreciated or assessed at this time.

The risks described below are by no means exhaustive or comprehensive, and there may be other risks in addition to those outlined below that are not known to the REIT Manager or which may not be material now but could turn out to be material in the future. Confirmations by the directors set out in paragraph 15 need to be read in the context of all disclosures to date by the REIT Manager including in this announcement and the fact that not all implications of developments and events can be assessed or known at this time.

There is material uncertainty which may cast significant doubt on EHT's ability to continue as a going concern

There cannot be any assurance that EHT will be able to continue operating as a going concern. As a result of the Notice issued by the Administrative Agent under the Facilities Agreement, as of 31 March 2020, approximately US\$341.0 million of secured loans and borrowings are repayable by EHT within one year, and exceeds EHT's unrestricted cash and cash equivalents of approximately US\$4.4 million as of 31 March 2020. The REIT Manager has also subsequently received other notices of default and/or termination from other lenders of EHT.

As disclosed in the recent announcements of EHT, the REIT Manager is currently undergoing discussions and negotiations with its lenders with the goal of achieving a long term forbearance agreement, but there can be no certainty or assurance that there will be any satisfactory resolution with EHT's lenders. If a long term forbearance cannot be negotiated, the Administrative Agent will have the right to foreclose on the loan and exercises its rights and remedies under the Facilities Agreement.

The financial performance of EHT is dependent on the condition and outlook of the United States hospitality and lodging industry, which has been severely affected by the outbreak of COVID-19

The global impact of the COVID-19 pandemic has resulted in unprecedented impacts in the industries which we operate in, particularly the hospitality and lodging industry in the United States. It is possible that public health officials or governmental authorities in the markets in which we operate in may impose restrictions in an effort to slow the spread of COVID-19, or relax or revoke existing restrictions too quickly, which could, in any case, exacerbate the severity of adverse impacts on economies. Due to the fluid and evolving nature of the COVID-19 outbreak, there is uncertainty as to the severity of impact that COVID-19 will have on EHT. This presents a material risk to our business, financial condition, results of operations and prospects of EHT.

The Properties in EHT's portfolio may not be able to generate sufficient cash flow

There can be no assurance that the properties in EHT's Initial Portfolio will be able to generate sufficient cash flow. EHT's revenue and results of operations depend on the performance of the United States economy, which is in turn affected by, amongst others, the outbreak of the COVID-19 pandemic and global economic conditions. Any prolonged adverse effects on the United States economy could adversely affect EHT's results of operations and financial performance.

EHT may not be able to collect rent and/or receive security deposits from the master lessees at all

EHT is dependent upon the rental payments from the master lessees, and the business, financial condition, results of operations and prospects of EHT depend substantially upon the master lessees' ability to make timely rent payments to EHT. There can be no assurance that the master lessees will make payment of its outstanding and continuing rental obligations to EHT and that EHT will be able to settle its rental and other receivables in the near future.

**EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

Furthermore, as disclosed by the REIT Manager on 20 April 2020 in the announcement titled "Update Announcement and Response to the SGX-ST's Queries", the REIT Manager granted an extension of time to 8 June 2020 for the master lessees to furnish the balance of its security deposits under the MLAs by way of letter of credit issued in favour of the REIT Manager. There can be no assurance that the master lessees will be able to furnish the letters of credit by 8 June 2020.

EHT may be affected by adverse developments affecting the Sponsor and/or master lessees

Any adverse developments and future financial challenges, such as potential bankruptcy or insolvency of the Sponsor and/or the master lessees may have a direct material adverse effect on the financial condition and results of operations of EHT. In the announcement dated 15 May 2020, titled "Update Announcement – (1) Termination of Interest Rate Swap Agreement, (2) Discovery of Interested Person Transactions, and (3) Liabilities of Master Lessees", the REIT Manager has been informed by FTI Consulting, Inc, ("FTI") as Chief Restructuring Officers of EHT, that to the best of their estimation and computation based on information available to FTI, the total liabilities incurred by the Master Lessees under the Hotel Management Agreements in respect of EHT's properties amount to approximately US\$44.6 million.

EHT may also become involved in legal and regulatory proceedings and otherwise be subject to legal claims arising out of the adverse developments affecting the Sponsor and/or the master lessees, including claims by regulatory authorities, hotel franchisors and/or hotel managers operating the hotels for, *inter alia*, breaches of legal, contractual or other duties on the part of the master lessee. Exposure to litigation may affect EHT's reputation and have a material adverse effect on the financial condition and results of the operations of EHT.

The CMS Licence of the REIT Manager may be cancelled by the Monetary Authority of Singapore

On 20 April 2020, the Monetary Authority of Singapore ("MAS") and the Singapore Exchange Regulation ("SGX RegCo") jointly announced that the MAS has directed the REIT Manager to, *inter alia*, restore its minimum base capital and financial resources to comply with MAS' requirements ("Joint Announcement"). The Joint Announcement makes reference to the requirement of a capital markets services licence ("CMS Licence") holder conducting the regulated activity of REIT management to have a minimum base capital of S\$1 million and to ensure that its financial resources do not fall below its total risk requirements.

If the CMS Licence issued to the REIT Manager is cancelled by the MAS, the REIT Manager will not be able to continue to be the manager of EH-REIT and the operations of EH-REIT will be adversely affected if no suitable replacement manager is found or can be found in a timely manner.

**EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

12 Distribution

(a) Current financial period

Any distributions declared for the current financial period?

No

(b) Corresponding period of the immediately preceding financial period

Any distributions declared for the corresponding period of the immediately preceding financial period?

Not applicable

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

13 If no distribution has been declared/recommendeded, a statement to that effect and the reason (s) for the decision

No distribution for the current financial period was declared. EHT makes distributions to Stapled Securityholders on a semi-annual basis.

14 If the Group has obtained a general mandate from Stapled Securityholders for interested person transactions ("IPT"), the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

EHT has not obtained a general mandate from its Stapled Securityholders for interested person transactions.

15 Confirmation pursuant to Rule 705(5) of the Listing Manual

Subject to the basis of preparation as set out in paragraph 8 and the matters which have been disclosed on SGXNET and events or implications arising therefrom, we, on behalf of the directors of the REIT Manager and the Trustee-Manager confirm that, to the best of our knowledge, nothing has come to the attention of the board of directors of the REIT Manager and the Trustee-Manager which may render the unaudited financial results of EHT for the first quarter ended 31 March 2020, to be false or misleading in any material aspect.

Howard Chorng Jeng Wu
Non-Independent Non-Executive Chairman

Tan Wee Peng Kelvin
Independent Director

16 Confirmation pursuant to Rule 720(1) of the Listing Manual

We, on behalf of the board of directors of the REIT Manager and the Trustee-Manager, confirm that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 of the Listing Manual of the SGX-ST (the "Listing Manual"), as required by Rule 720(1) of the Listing Manual.

EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

17 Use of proceeds from Initial Public Offering

The use of proceeds raised from the initial public offering, including proceeds from the loan facilities, is in accordance with the stated uses as disclosed in the Prospectus, and is set out below:

	Amount allocated US\$'000	Amount utilised US\$'000	Balance US\$'000
Acquisition of the Initial Portfolio	1,111,649	1,111,649	-
Issue expenses and other transaction costs	49,234	45,135	4,099
Working capital ⁽¹⁾	23,600	2,571	21,029
	1,184,483	1,159,355	25,128

Footnote:

(1) Included in the working capital is a US\$16.1 million cash collateral on a secured loan.

The breakdown on the utilisation of working capital from IPO is as follows:

	Amount utilised US\$'000
Debt-related transaction cost	3,123
Unused cash from IPO	(1,210)
Finance income	(52)
REIT Trustee fees	60
Other trust expenses	650
	2,571

The REIT Manager will make further announcements via SGXNET on the utilisation of the remainder of the IPO proceeds as and when such funds are substantially disbursed.

**EAGLE HOSPITALITY TRUST
UNAUDITED FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of the REIT Manager and the Trustee-Manager (collectively, the “Managers”) on future events.

The value of the stapled securities in EHT (the “Stapled Securities”) and the income derived from them, may fall or rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of its affiliates. An investment in Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the Singapore Exchange Securities Trading Limited (“SGX-ST”). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

The past performance of EHT is not necessarily indicative of the future performance of EHT. Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

By Order 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. 201829918K)
(as Trustee-Manager of Eagle Hospitality Business Trust)

Date: 15 May 2020