



HIAP HOE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199400676Z)

UPDATES ON THE IMPACT OF THE COVID-19 SITUATION

The Board of Directors of Hiap Hoe Limited (the “**Company**”) refers to the announcement made by the Company on 2 April 2020 regarding the update on the impact of the COVID-19 situation. The Company and together with its subsidiaries, (the “**Group**”) would now like to provide further updates to shareholders on the COVID-19 situation and its continuing impacts on the Group’s operations.

Impact of COVID-19 on the Group’s hotel operations

Following orders by the Singapore, Australia and UK governments to enforce strict social distancing and the prohibition of activities as well as restrictions on border movement in and out of their respective countries, demand for travel and accommodation has been greatly reduced.

Whilst there has been easing of restrictions globally, with Singapore having moved into Phase Two of Singapore’s re-opening and the Australian government and UK government announcing the easing of restrictions in the weeks to come, the Group expects demand for travel and accommodation to remain low.

Impact of COVID-19 on the Group’s leisure businesses

The Group’s leisure business operations have resumed its activities under Phase Two of Singapore’s re-opening with the appropriate safety measures put in place. The Group is committed towards delivering a safe environment for staff, visitors and guests. We have implemented good practices into our daily business activities and continue to observe regulations stipulated by public health authorities.

Impact on financial performance for the financial year ending 31 December 2020

In support of our tenants over this difficult period, we have provided rental rebates to our tenants and these costs are mitigated by property tax rebates from the Singapore government. We will also take possible steps to preserve staff employment with the various government grants provided.

We also expect the investment portfolios to be affected by the weaker market sentiments. Considering the aforementioned developments and uncertainties, the Group expects its financial performance for the financial year ending 31 December 2020 to be adversely impacted. The full extent of the financial impact cannot be ascertained at this point as this will depend on the development of the COVID-19 situation and the pace of its recovery.

The Group will continue to keep a close watch on the development of the COVID-19 situation and the Company will make further announcements to keep shareholders updated on material developments as and when necessary.

By Order of the Board

Ong Beng Hong
Joint Company Secretary

25 June 2020