



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 (the “**Board**”) of Hiap Hoe Limited (the “**Company**”) and together with its subsidiaries, collectively, the “**Group**”) wishes to update shareholders of the Company in relation to the development of the COVID-19 situation.

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

The Company would like to announce that with the rapid spread of COVID-19 globally and the implementation of tighter entry restrictions by many countries, including orders by the Australia and UK governments to enforce strict social distancing and the prohibition of activities, demand for travel and accommodation has dropped significantly over the past weeks. Consequently, the Company has seen a drop in occupancy rates for the Group’s hotels and has witnessed weaker operating performances across its portfolio.

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

On 26 March 2020, the Singapore government, in its efforts to curb the spread of COVID-19, passed the Infectious Diseases (Measures to Prevent Spread of Covid-19) Regulations 2020 (the “**Regulations**”) pursuant to which, restrictions were imposed on the provision of public entertainment.

In view of and in compliance with the Regulations, the Company would like to announce that it will cease all leisure business operations until 30 April 2020 (or such other date as may be determined by the Regulations).

Impact on financial performance for the first half year ending 30 June 2020 (“HY2020”)

Considering the aforementioned developments and uncertainties, the Company expects its financial performance in HY2020 to be adversely impacted as compared to the corresponding period last year.

The full extent of the COVID-19 impact on the Company’s financial performance for HY2020 and beyond cannot be ascertained at this point. However, the Company will continue to work closely with the various operators in respect of its hotels and leisure businesses to mitigate these negative impacts, while taking all possible steps to preserve staff employment. The Company will also implement cost containment measures including the temporary closure of rooms and amenities in its hotels and shortening employee work hours. The Company will also take the necessary steps to conserve cash flows by postponing non-essential capital expenditures.

The Group is keeping a close watch on the development of the COVID-19 outbreak and the Company will make further announcements to keep shareholders updated on material developments.

By Order of the Board

Ong Beng Hong
Joint Company Secretary

2 April 2020