



(Company Registration No. 200415164G)
(Incorporated in Singapore)
(the "Company")

UPDATE ON THE GROUP'S BUSINESS AMID COVID-19 PANDEMIC

The Board of Directors ("**Board**") of KOP Limited ("**Company**", and together with its subsidiaries, "**Group**") wishes to provide an update on its businesses amid the COVID-19 pandemic.

With the rapid spread of COVID-19 globally and the implementation of tighter travel restrictions by the various countries, travel and tourism industries continue to be severely and adversely impacted. Consequently, our Montigo Resorts, Nongsa and Montigo Resorts, Seminyak (collectively, "**Resorts**") have both experienced a decrease in demand, resulting in a decrease in revenue and performance. As for the operations in China, business remains as usual and have been progressing well. Closer to home, the construction of the high-end condominium, Dalvey Haus will be commenced once the workers are allowed to resume work onsite.

As a result, the Group expects that its financial performance will be significantly and adversely impacted for the first and second quarter ending 30 June 2020 and 30 September 2020, as compared to the corresponding quarters in the previous year. However, the extent of the impact on the Group's financial performance and operations for the full year 2021 cannot be determined at this stage as the duration and extent of the spread of COVID-19 pandemic is uncertain.

A series of cost control measures have been implemented, including closure of facilities and all F&B outlets in the Resorts since March 2020, temporary closure of both Resorts from the month of June 2020, requiring employees to take unpaid leave and/or annual leave, reducing the minimum consumption of energy and temporarily suspension of services that are not required during this period. On the other hand, we are also taking this opportunity to deploy our own resources to renovate and refurbish our resort in Nongsa, Batam and gearing up for the re-opening of the Resorts once the travel restrictions are lifted. On top of cost control measures, the Group have also implemented a series of sales and marketing campaigns such as "Montigo Dollars", "Buy Now Stay Anytime", "Surprise Gift Holiday", etc. in order to generate some sales during this period.

The Group has also put in place stringent health and precautionary measures to ensure the well-being of our employees and guests on our properties.

The Group will continue to closely monitor the evolving situation and will provide further updates as and when any material developments arise.

BY ORDER OF THE BOARD

Ong Chih Ching
Executive Chairman and Executive Director
28 May 2020

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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