ANNOUNCEMENT

UPDATE ON HOTEL SEGMENT AMIDST THE RAPIDLY EVOLVING CORONAVIRUS SITUATION

GL Limited together with its subsidiaries (**"Group"**), wishes to provide the following update:

While the outbreak of COVID-19 in China did not give rise to any material reduction in demand for the second quarter ended 31 December 2019, the spread of COVID-19 to continental Europe and the United Kingdom have caused a significant reduction in bookings and increase in cancellations in the hotels of our hospitality subsidiary, GLH.

In response to the call by the UK Government to practise social distancing and activities lockdown, for the safety of our staff and in the face of low occupancies, our hotels will progressively be closed temporarily, save for a few to serve the needs of our guests.

The extent of COVID-19's impact on the Group's operations and financial performance for the full financial year ending 30 June 2020 cannot be determined at this stage as the duration and rate of spread of COVID-19 are uncertain. In the light of these uncertainties and coupled with the impact of low oil prices, the Group expects that its financial results for the full financial year ending 30 June 2020 will be significantly and adversely impacted compared to the previous financial year.

The Group has implemented numerous proactive steps to mitigate the negative financial and operational impacts of COVID-19. These mitigation plans include instituting various cost reduction initiatives and temporarily deferring capital projects which are not business-critical in order to preserve working capital and liquidity.

The Group is monitoring the situation closely and will keep shareholders informed of material developments as and when they arise.

BY ORDER OF THE BOARD

SUSAN LIM
Company Secretary
24 March 2020