



UNITED OVERSEAS AUSTRALIA LTD

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ASX Announcement

29 April 2020

POTENTIAL IMPACT OF COVID-19 OUTBREAK ON GROUP

The COVID-19 outbreak was declared a pandemic by the World Health Organization ('WHO') in March 2020, which continues to spread throughout Australia and Malaysia (the Group's main geographical area of operation). In addition, the Malaysian government implemented a movement control order ('MCO') on the 18 March 2020 as a result of COVID-19, with the effective end date extended a number of times to the 12 May 2020.

Subsequent to the MCO and declaration by the WHO, the outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community and the overall economy. The scale and duration of these developments remain uncertain as at the date of this report and it is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses.

As a result, since 31 December 2019, COVID-19 has impacted the markets in which the Group operates including Malaysia, Singapore and Australia, and to a lesser extent, Vietnam, the respective governments have all imposed restrictions of varying degrees on their citizens which has changed the way in which businesses within Group can operate.

The Group believes it will be able to withstand the effects of COVID-19 both financially and operationally for the foreseeable future. The impact of the virus on the Group's operations, and therefore on its results for the year ending 31 December 2020, is not yet quantifiable as it is uncertain when business operations may recommence in jurisdictions where restrictions have forced operations to cease or otherwise return to normal operations similar to those prior to the declaration of the pandemic by the WHO.

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The Group's operations include the development and sales of properties, receiving rental from self-owned properties (commercial, offices, co-sharing facilities and residential) and the operation of hotels and associated food and beverage outlets and convention facilities.

COVID-19 has impacted on each of these areas of operations of the Group including:

- closure of facilities where required by government order;
- restrictions on movements by employees and patrons of various entities within the Group imposed by government order;
- reduction in operating revenue from the various operations within the Group due to restrictions imposed by government order for the operations of non-essential businesses;
- reduction in rental revenues from properties due to tenants being impacted by the virus in the same manner as the Group; and
- the use of the Group's existing working capital to satisfy commitments as they become payable whilst income is otherwise restricted

The Group has considered these impacts and has determined there is likely to be a decline in the Group's overall revenues and working capital position. The Group has been effective in maintaining its expenditure in line with the decrease in revenue and other income. The full impact of these reductions are not yet quantifiable due to the inherent uncertainty on when operations of the Group can return to normal.

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