

PRESS RELEASE

Kuala Lumpur, 29 April 2020

For Immediate Release

Closure of G City Club Hotel Sdn Bhd Business Operations

It is with a heavy heart that the management of G City Club Hotel Sdn Bhd announces the closure of our hotel operations after 10 years of operations. This is a tremendously sad day for the hotel and our 79 employees.

This drastic step to stop the hotel's operations came after much thought and effort as we tried to keep the business afloat while suffering millions of losses in the last few years. The decision to cease operations was a direct result of low occupancy suffered in the past few years from increased competition from new hotels and the proliferation of homestays in the KLCC vicinity. The hotel had been initially conceptualized and targeted at corporate travellers and the past few years has seen a sharp decrease in our corporate clientele especially from the oil and gas industry. Prolonged roadworks and MRT works in the KLCC vicinity had also created accessibility problems in the Jalan Tun Razak area, resulting in much lower occupancy from leisure travellers.

G City Club Hotel Sdn Bhd adopted an asset light model with the hotel premises on a rental basis, unlike other hotels which are asset ownership model. This added to much higher fixed costs particularly from rentals. Our other hotel properties serve a different market segment and not in the highly competitive KLCC area.

With Covid-19 and forecasts of 18 months before normalisation of the global economy, and low travel confidence, the management reviewed its hotel operations and is making a difficult but needed decision to cease operations.

All employees shall be given adequate notice in accordance to their Employment Contract terms and we will pay their wages, as well as employment termination benefits in accordance with the Employment Act.

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About G City Club Hotel Sdn Bhd

G City Club Hotel Sdn Bhd was founded in March 2010 and manages a 180 rooms hotel under the trade name of "GTower Hotel".

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