

SHANGRI-LA GROUP

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Shangri-La Asia Limited
(Incorporated in Bermuda with limited liability)
website: www.ir.shangri-la.com
(Stock code: 00069)

CONTINUING CONNECTED TRANSACTION ENTERING INTO NEW HOTEL SERVICES AGREEMENTS IN RELATION TO SHANGRI-LA THE FORT, MANILA

Reference is made to the 2023 Announcement regarding, among other matters, the renewal of the Original Hotel Agreements entered into between SLIM-HK (as original manager), SLIM-BVI (as IP head-licensor), SLIM-SG (as IP sub-licensor) and the Project Co (as owner) in relation to the provision of (i) the Hotel Marketing Services to the Hotel (a hotel owned by the Project Co), and (ii) the licence of the IP to the Project Co enabling it to operate the Hotel bearing the name of Shangri-La for the remaining initial term which will expire on 28 February 2026.

On 26 February 2026, SLIM-SG (as new manager), SLIM-HK (as technology service provider) and the Project Co (as owner) entered into the New Hotel Services Agreements to, among other things, renew, consolidate and supplement terms of the Original Hotel Agreements for continuing the provision of services for the management and operation of the Hotel.

The Project Co is owned as to 60% by SPI, an associate of KPL which in turn is a subsidiary of KHL (a substantial shareholder of the Company). Accordingly, the Project Co is an associate of the Company's substantial shareholder and is a connected person of the Company. The entering into of the New Hotel Services Agreements constitutes a continuing connected transaction for the Company under the Listing Rules.

As the Annual Caps under the New Hotel Services Agreements exceed 0.1% but are less than 5% of the applicable Percentage Ratios, the Company is subject to announcement and reporting requirements but is exempt from independent shareholders' approval requirement under the Listing Rules. Details of the New Hotel Services Agreements and the actual amount of the Fees will be disclosed in the future annual reports and financial statements of the Company in accordance with the Listing Rules.

INTRODUCTION

Reference is made to the 2023 Announcement regarding, among other matters, the renewal of the Original Hotel Agreements entered into between SLIM-HK (as original manager), SLIM-BVI (as IP head-licensor), SLIM-SG (as IP sub-licensor) and the Project Co (as owner) in relation to the provision of (i) the Hotel Marketing Services to the Hotel (a hotel owned by the Project Co), and (ii) the licence of the IP to the Project Co enabling it to operate the Hotel bearing the name of Shangri-La for the remaining initial term which will expire on 28 February 2026.

On 26 February 2026, SLIM-SG (as new manager), SLIM-HK (as technology service provider) and the Project Co (as owner) entered into the New Hotel Services Agreements to, among other things, renew, consolidate and supplement terms of the Original Hotel Agreements for continuing the provision of services for the management and operation of the Hotel.

MAIN TERMS OF THE NEW HOTEL SERVICES AGREEMENTS

(1) Hotel Management Agreement

Date: 26 February 2026

Parties: (i) Project Co (as owner)
(ii) SLIM-SG (as new manager)

Services: SLIM-SG to provide Hotel Management Services to the Hotel

Term: The operating term shall commence from 1 March 2026 and end on 31 December of the second anniversary of such commencement date (ie 31 December 2028). SLIM-SG has the right to determine renewal of the term for successive three-year terms (or part thereof of the remaining term) provided that the entire initial term as renewed shall not be longer than 10 years from the commencement date.

Upon expiry of the said initial term of 10 years, the parties may elect to extend the term in accordance with agreed renewal terms, provided that the aggregate term of the renewal period shall not exceed 10 years.

The Company will comply with the relevant requirements under the Listing Rules upon each renewal.

Fees: The fees payable under the Hotel Management Agreement are based on predetermined formulas set out in the Hotel Management Agreement and mainly comprise:

- Incentive management fee – variable percentage of the gross operating profit of the Hotel per annum
- Sales & marketing fee – a fixed percentage of the gross operating revenue of the Hotel per annum
- Royalty fee – a fixed amount per annum
- Branding fund – a fixed amount per Hotel room per annum
- Corporate and social responsibilities fund – a fixed percentage of the gross operating revenue or a fixed amount per annum, whichever is lower

- Training fee – a fixed percentage of the annual total base salary of the employees of the Hotel
- Frequent guest programme fund – a fixed percentage of the amount billed by the Hotel to members of any frequent guest program operated by SLIM-SG and/or its affiliates
- Direct channel fee – a fixed percentage of the materialized revenue of the Hotel in respect of those transactions conducted via the channels maintained or made available by SLIM-SG and/or its affiliates

(2) Proprietary Technology Services Agreement

Date:	26 February 2026	
Parties:	(i) Project Co (as owner) (ii) SLIM-HK (as technology service provider)	
Services:	SLIM-HK to provide Proprietary Technology Services to the Hotel	
Term:	Same as the Hotel Management Agreement	
Fee:	Technology services fee –	a fixed percentage of revenue from rooms of the Hotel per annum

The Directors (including the independent non-executive Directors) consider that the terms of the New Hotel Services Agreements based on the pricing policy for the determination of the Fees (including the specified fixed and variable percentages and fixed amounts as the basis for the Fees) are on normal commercial terms by reference to the comparable fees under hotel services agreements of the other four hotels managed by the Group within the jurisdiction, and confirm that the Fees are comparable to or no less favourable than fees charged to such other hotels.

EXPECTED MAXIMUM ANNUAL AGGREGATE AMOUNT OF FEES

Based on the terms of the New Hotel Services Agreements, the expected occupancy of the Hotel, possible inflation and change in foreign exchange rates, reasonable increase in occupancy and reasonable allowance for unexpected increase in occupancy and/or room rate of the Hotel, the Board expects that the amount of the Fees to be paid for each of the following financial years will not exceed the following respective Annual Caps:

<u>Financial year ending</u>	<u>Annual Caps (US\$)</u>
31 December 2026	12,000,000
31 December 2027	12,600,000
31 December 2028 (for the entire year assuming the New Hotel Services Agreements will be renewed upon expiry of the three-year term)	13,500,000

If any of the Annual Caps stated above is exceeded, the Company will re-comply with the requirements under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE NEW HOTEL SERVICES AGREEMENTS

As the provision of hotel management and related services is one of the main businesses of the Group, it is in the interests of the Group to enter into the New Hotel Services Agreements.

The Directors (including the independent non-executive Directors) consider that the terms of the New Hotel Services Agreements based on the pricing policy for the determination of the Fees (including the specified fixed and variable percentages and fixed amounts as the basis for the Fees) are on normal commercial terms by reference to the comparable fees under hotel services agreements of the other four hotels managed by the Group within the jurisdiction, and confirm that the Fees are comparable to or no less favourable than fees charged to such other hotels. The Directors (including the independent non-executive Directors) also take the view that the entering into of the New Hotel Services Agreements is in the ordinary and usual course of business of the Group, and believe that the terms of the New Hotel Services Agreements are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Board confirms that none of the Directors had any material interest in the New Hotel Services Agreements, and accordingly none of such Directors was required to abstain from voting on the resolutions in relation to the entering into of the New Hotel Services Agreements.

INTERNAL CONTROL MEASURES

In order to safeguard the interests of the Company and its shareholders as a whole, the Company has adopted the following internal control measures in relation to the continuing connected transactions of the Company:

- (i) the Company's finance department carries out periodic review to monitor whether transaction amounts might be expected to exceed relevant annual caps;
- (ii) independent non-executive Directors conduct an annual review of continuing connected transactions of the Company pursuant to the requirements of Rule 14A.55 of the Listing Rules; and
- (iii) the auditor of the Company is engaged to conduct an annual review of continuing connected transactions of the Company pursuant to the requirements of Rule 14A.56 of the Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES

SLIM-SG and SLIM-HK are subsidiaries of the Company. The Project Co is owned as to 60% by SPI, an associate of KPL which in turn is a subsidiary of KHL (a substantial shareholder of the Company). Accordingly, the Project Co is an associate of the Company's substantial shareholder and is a connected person of the Company. The entering into of the New Hotel Services Agreements constitutes a continuing connected transaction for the Company under the Listing Rules.

As the Annual Caps under the New Hotel Services Agreements exceed 0.1% but are less than 5% of the applicable Percentage Ratios, the Company is subject to announcement and reporting requirements but is exempt from independent shareholders' approval requirement under the Listing Rules. Details of the New Hotel Services Agreements and the actual amount of the Fees will be disclosed in the future annual reports and financial statements of the Company in accordance with the Listing Rules.

INFORMATION ABOUT THE GROUP, SLIM-SG, SLIM-HK, THE PROJECT CO AND ITS ULTIMATE BENEFICIAL OWNERS

The principal activities of the Group are the development, ownership and operation of hotel properties, the provision of hotel management and related services, the development, ownership and operation of investment properties, and property development for sale. The Group operates its business under various brand names including "Shangri-La", "Shangri-La Signatures", "Kerry Hotels", "JEN by Shangri-La", "Traders Hotels", "Rasa", "Summer Palace", "Shang Palace" and "CHI, The Spa at Shangri-La".

The principal activities of SLIM-SG are investment holding, and the provision of hotel management, marketing, communication, reservation, consultancy and other hotel related services.

The principal activities of SLIM-HK are investment holding, and the provision of hotel management, marketing, communication, reservation, consultancy and other hotel related services.

The principal activities of the Project Co are the ownership and operation of the Hotel, and property investment and development.

The principal activities of SPI are real estate holding, investment and development.

The principal activity of KPL is investment holding and the principal activities of KPL's subsidiaries, associates and joint ventures comprise property development, investment and management in Hong Kong, Mainland China and the Asia Pacific region, and hotel ownership in Hong Kong and hotel ownership and operations in Mainland China.

The principal activity of KHL is investment holding. KHL is a substantial shareholder of the Company, KPL and KLN Logistics Group Limited (all of which are listed in Hong Kong).

DEFINITIONS

"2023 Announcement"	the announcement of the Company dated 12 December 2023 in relation to, among other matters, the previous renewal of the Original Hotel Agreements for the remaining initial term from 1 January 2024 to 28 February 2026
"Agreement A"	the marketing and reservations agreement dated 10 December 2014 (as varied) entered into between SLIM-HK (as original manager) and the Project Co (as owner) for the provision of Hotel Marketing Services by SLIM-HK to the Hotel

“Agreement B”	the licence agreement dated 10 December 2014 (as varied) entered into between SLIM-BVI (as IP head-licensor) and the Project Co (as owner) for the non-exclusive licence of the IP to the Project Co
“Agreement C”	the licence agreement dated 10 December 2014 (as varied) entered into between SLIM-Netherlands (as original IP sub-licensor whose benefits, rights, duties and obligations under the licence agreement have been novated to SLIM-SG as current IP sub-licensor with effect from 1 January 2020) and the Project Co (as owner) for the sub-licence of the IP to the Project Co to avail of the relevant intellectual property, thereby enabling the Project Co to operate the Hotel bearing the name of Shangri-La
“Annual Caps”	the expected maximum Fees for particular financial years as described under the heading “Expected Maximum Annual Aggregate Amount of Fees” in this announcement
“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Shangri-La Asia Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are primarily listed on the Main Board of the Stock Exchange with secondary listing on the Singapore Exchange Securities Trading Limited
“connected person”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“Fees”	the expected aggregate amount of the fees payable by the Project Co to SLIM-SG, SLIM-HK and/or the Group, which shall be settled in cash, in respect of services to be rendered under the New Hotel Services Agreements
“Group”	the Company and its subsidiaries
“Hotel”	Shangri-La The Fort, Manila, a hotel owned by the Project Co
“Hotel Management Agreement”	the hotel management agreement and the supplemental letter dated 26 February 2026 and entered into between SLIM-SG (as new manager) and the Project Co (as owner) for the provision of Hotel Management Services by SLIM-SG to the Hotel
“Hotel Management Services”	the hotel management, marketing, communication, reservation and other related services, and the sub-licensing of the use of IP to be provided by SLIM-SG to the Hotel in accordance with the Hotel Management Agreement

“Hotel Marketing Services”	hotel marketing, communication and reservation services under the Agreement A
“IP”	the intellectual property in relation to the brand of Shangri-La (including the trade name, the system and all proprietary rights thereof)
“KHL”	Kerry Holdings Limited, a company incorporated in Hong Kong and a substantial shareholder of the Company
“KPL”	Kerry Properties Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Hotel Services Agreements”	the Hotel Management Agreement and the Proprietary Technology Services Agreement
“Original Hotel Agreements”	the Agreement A, the Agreement B and the Agreement C each expiring on 28 February 2026
“Percentage Ratios”	has the meaning ascribed to it in Chapter 14 of the Listing Rules
“Proprietary Technology Services”	the proprietary technology services to be provided by SLIM-HK to the Hotel for accessing technology products and solution suites developed by the Group in accordance with the Proprietary Technology Services Agreement
“Proprietary Technology Services Agreement”	the proprietary technology services agreement dated 26 February 2026 and entered into between SLIM-HK (as service provider) and the Project Co (as owner) for the provision of Proprietary Technology Services
“Project Co”	Shang Global City Properties, Inc, a company incorporated in the Philippines and owned as to 40% by the Company and 60% by SPI
“SLIM-BVI”	Shangri-La International Hotel Management Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“SLIM-HK”	Shangri-La International Hotel Management Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of the Company
“SLIM-Netherlands”	Shangri-La International Hotel Management BV (as original IP sub-licensor), a company incorporated in the Netherlands (liquidated in 2022) and formerly a wholly owned subsidiary of the Company

“SLIM-SG”	Shangri-La International Hotel Management Pte Ltd, a company incorporated in the Singapore and a wholly owned subsidiary of the Company
“SPI”	Shang Properties, Inc, a company incorporated in the Philippines, the shares of which are listed on the Philippine Stock Exchange, Inc and an associate of KPL
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules

By order of the Board of
Shangri-La Asia Limited
SEOW Chow Loong Iain
Company Secretary

Hong Kong, 26 February 2026

As at the date hereof, the directors of the Company are:

Executive directors

Ms KUOK Hui Kwong (Chairman & Group Chief Executive Officer)

Mr CHUA Chee Wui (Group Chief Financial Officer & Group Chief Investment Officer)

Non-executive director

Mr LIM Beng Chee

Independent non-executive directors

Professor LI Kwok Cheung Arthur

Mr YAP Chee Keong

Mr LI Xiaodong Forrest

Mr ZHUANG Chenchao

Ms KHOO Shulamite N K