

# SHANGRI-LA GROUP

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## **Shangri-La Asia Limited**

(Incorporated in Bermuda with limited liability)

website: [www.ir.shangri-la.com](http://www.ir.shangri-la.com)

(Stock code: 00069)

## **OVERSEAS REGULATORY ANNOUNCEMENT**

Shangri-La Hotels (Malaysia) Berhad (“**SHMB**”) is a company listed on Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) and a 52.78% owned subsidiary of Shangri-La Asia Limited. SHMB released to Bursa Malaysia an announcement (“**Announcement**”) today. The following is a reproduction of the Announcement as required by the Note to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Hong Kong, 10 November 2020

*As at the date hereof, the directors of Shangri-La Asia Limited are:*

*Executive director(s)*

*Ms KUOK Hui Kwong (Chairman)*

*Mr LIM Beng Chee (Group CEO)*

*Non-executive director(s)*

*Mr HO Kian Guan (alternate – Mr HO Chung Tao)*

*Independent non-executive director(s)*

*Professor LI Kwok Cheung Arthur*

*Mr YAP Chee Keong*

*Mr LI Xiaodong Forrest*

*Mr ZHUANG Chenchao*

*Ms KHOO Shulamite N K*

**SHANGRI-LA HOTELS (MALAYSIA) BERHAD**

**Reg. No: 197101000484 (10889-U)**

**(Incorporated in Malaysia)**

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020**

The Board of Directors of Shangri-La Hotels (Malaysia) Berhad wishes to announce the following :-

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

	3 months ended		9 months ended	
	30.9.2020	30.9.2019	30.9.2020	30.9.2019
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>43,713</b>	<b>141,717</b>	<b>142,129</b>	<b>398,925</b>
Operating (loss)/profit	(25,774)	30,899	(70,132)	72,890
Interest expense	(642)	(1,457)	(2,953)	(4,362)
Interest income	952	2,283	4,943	6,858
Share of results of associated companies	1,430	(79)	3,640	984
<b>(Loss)/Profit before tax</b>	<b>(24,034)</b>	<b>31,646</b>	<b>(64,502)</b>	<b>76,370</b>
Tax income/(expense)	5,932	(7,064)	15,592	(16,712)
<b>(Loss)/Profit for the period</b>	<b>(18,102)</b>	<b>24,582</b>	<b>(48,910)</b>	<b>59,658</b>
<u>Attributable to:</u>				
<b>Shareholders of the Company</b>	(15,322)	21,252	(42,375)	52,927
Non-controlling interests	(2,780)	3,330	(6,535)	6,731
	<b>(18,102)</b>	<b>24,582</b>	<b>(48,910)</b>	<b>59,658</b>
Basic (Loss)/Earnings per Ordinary Share (sen)	(3.48)	4.83	(9.63)	12.03
Diluted (Loss)/Earnings per Ordinary Share (sen)	NA	NA	NA	NA

*(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019)*

NA - not applicable

## SHANGRI-LA HOTELS (MALAYSIA) BERHAD

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

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	3 months ended		9 months ended	
	30.9.2020	30.9.2019	30.9.2020	30.9.2019
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period	(18,102)	24,582	(48,910)	59,658
<b><u>Other comprehensive (expense)/income</u></b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising from translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	(1,459)	723	607	620
<b>Total comprehensive (expense)/income for the period</b>	<b>(19,561)</b>	<b>25,305</b>	<b>(48,303)</b>	<b>60,278</b>
<i>Attributable to:</i>				
Shareholders of the Company	(16,781)	21,975	(41,768)	53,547
Non-controlling interests	(2,780)	3,330	(6,535)	6,731
	<b>(19,561)</b>	<b>25,305</b>	<b>(48,303)</b>	<b>60,278</b>

*(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019)*

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30.9.2020 RM'000	As at 31.12.2019 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	624,799	656,252
Right-of-use assets	17,083	17,461
Investment properties	288,530	288,530
Interests in associates	213,454	206,603
Property development expenditure	12,286	12,286
Deferred tax assets	26,021	11,359
	<u>1,182,173</u>	<u>1,192,491</u>
<b>Current assets</b>		
Inventories	3,464	3,733
Trade and other receivables, prepayments and deposits	23,936	37,485
Tax recoverable	5,209	2,862
Short-term fund placements	145,456	254,968
Cash and bank balances	8,834	21,105
	<u>186,899</u>	<u>320,153</u>
<b>Total assets</b>	<u>1,369,072</u>	<u>1,512,644</u>
<b>EQUITY</b>		
<b>Capital and reserves</b>		
Share capital	544,501	544,501
Reserves	416,907	511,475
<b>Total equity attributable to shareholders of the Company</b>	<u>961,408</u>	<u>1,055,976</u>
Non-controlling interests	133,069	139,604
<b>Total equity</b>	<u>1,094,477</u>	<u>1,195,580</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Retirement benefits	28,408	27,141
Lease liabilities	419	441
Deferred tax liabilities	16,867	20,665
	<u>45,694</u>	<u>48,247</u>
<b>Current liabilities</b>		
Trade and other payables and accruals	51,752	86,983
Contract liabilities	9,250	18,996
Lease liabilities	693	836
Short-term borrowings	166,978	161,413
Current tax liabilities	228	589
	<u>228,901</u>	<u>268,817</u>
<b>Total liabilities</b>	<u>274,595</u>	<u>317,064</u>
<b>Total equity and liabilities</b>	<u>1,369,072</u>	<u>1,512,644</u>
Net Assets per Ordinary Share (RM)	2.19	2.40
Attributable to Shareholders of the Company		

*(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019)*

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the 9 months ended 30 September 2020**

<i>All figures in RM'000</i>	<u>Attributable to Shareholders of the Company</u>			Total equity attributable to shareholders of the Company	Non-controlling interests	Total equity
	Share capital	Exchange Translation Reserve	Retained earnings			
	← Non-distributable →		← Distributable →			
<b>As previously reported at 1 January 2019</b>	544,501	(676)	521,261	1,065,086	132,105	1,197,191
Reclassification from retained earnings to exchange translation reserve:-						
- Exchange differences on translation of foreign currency loans forming part of net investment in foreign operations	-	37,957	(37,957)	-	-	-
Effects of adopting MFRS 16 - Leases	-	-	(5,511)	(5,511)	1	(5,510)
<b>Balance at 1 January 2019 as restated</b>	544,501	37,281	477,793	1,059,575	132,106	1,191,681
Net profit for the period	-	-	52,927	52,927	6,731	59,658
Exchange differences on translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	620	-	620	-	620
Total comprehensive income for the period	-	620	52,927	53,547	6,731	60,278
Dividend:-						
- Final dividend for the financial year ended 31.12.2018 paid on 15.7.2019	-	-	(52,800)	(52,800)	-	(52,800)
- Interim dividend for the financial year ended 31.12.2019 paid on 21.11.2019	-	-	(13,200)	(13,200)	-	(13,200)
<b>Balance at 30 September 2019</b>	544,501	37,901	464,720	1,047,122	138,837	1,185,959
<b>Balance at 1 January 2020</b>	544,501	36,662	474,813	1,055,976	139,604	1,195,580
Net loss for the period	-	-	(42,375)	(42,375)	(6,535)	(48,910)
Exchange differences on translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	607	-	607	-	607
Total comprehensive income/(expense) for the period	-	607	(42,375)	(41,768)	(6,535)	(48,303)
Dividend:-						
- Second interim dividend for the financial year ended 31.12.2019 paid on 16.7.2020	-	-	(52,800)	(52,800)	-	(52,800)
<b>Balance at 30 September 2020</b>	544,501	37,269	379,638	961,408	133,069	1,094,477

*(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019)*

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**For the 9 months ended 30 September 2020**

	<b>30.9.2020</b>	<b>30.9.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>(Loss)/Profit before tax</b>	(64,502)	76,370
<b>Adjustments for non-cash flow:-</b>		
Non-cash items	43,283	48,839
Non-operating items	(1,990)	(2,496)
<b>Operating (loss)/profit before changes in working capital</b>	<b>(23,209)</b>	<b>122,713</b>
<b>Changes in working capital</b>		
Net change in current assets	13,804	1,131
Net change in current liabilities	(44,477)	(16,922)
<b>Cash (used in)/from operating activities</b>	<b>(53,882)</b>	<b>106,922</b>
Income taxes paid	(5,576)	(16,247)
Retirement benefits paid	(644)	(565)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(60,102)</b>	<b>90,110</b>
<b>Investing activities</b>		
Interest income received	4,943	6,858
Purchase of property, plant and equipment	(12,584)	(23,358)
<b>Net cash outflow from investing activities</b>	<b>(7,641)</b>	<b>(16,500)</b>
<b>Financing activities</b>		
Dividends paid to shareholders of the Company	(52,800)	(52,800)
Dividend paid to a non-controlling shareholder of a subsidiary	(500)	(500)
Drawdown of borrowings	2,961	4,260
Interest element of lease rentals paid	(59)	(70)
Repayment of lease liabilities	(748)	(750)
Interest expense paid	(2,894)	(4,292)
<b>Net cash outflow from financing activities</b>	<b>(54,040)</b>	<b>(54,152)</b>
<b>Net (decrease)/increase in cash &amp; cash equivalents</b>	<b>(121,783)</b>	<b>19,458</b>
Cash & cash equivalents at beginning of the year	276,073	233,712
<b>Cash &amp; cash equivalents at end of financial period</b>	<b>154,290</b>	<b>253,170</b>

*(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2019)*

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020**

**NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”)**

**A1 Accounting Policies**

The condensed consolidated interim financial statements of the Group for the current reporting period have been prepared in accordance with MFRS 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2019. These condensed consolidated interim financial statements also comply with IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2019, except for the adoption of amendments to Malaysian Financial Reporting Standards (“MFRS”) and interpretations that are relevant to its operations and effective for the financial period beginning 1 January 2020, which are set out below.

Amendments to MFRS 2	Share-based Payment
Amendments to MFRS 3	Business Combinations – <i>Definition of a Business</i>
Amendments to MFRS 7	Financial Instruments: Disclosures – <i>Interest Rate Benchmark Reform</i>
Amendments to MFRS 9	Financial Instruments – <i>Interest Rate Benchmark Reform</i>
Amendments to MFRS 101	Presentation of Financial Statements – <i>Definition of Material</i>
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – <i>Definition of Material</i>
Amendments to MFRS 134	Interim Financial Reporting – <i>Definition of Material</i>
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets – <i>Definition of Material</i>
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement – <i>Interest Rate Benchmark Reform</i>
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

The adoption of these amendments to MFRSs and interpretations did not have a significant impact on the financial statements or position of the Group.

**A1.1 Amendments Issued but not yet Effective**

A number of amendments to existing MFRSs which are effective for accounting periods beginning after 2020, have been issued and will be adopted by the Group from their effective dates.

		Effective for annual periods beginning on or after
Amendments to MFRS 16	Leases	1 January 2021
Amendments to MFRS 7	Financial Instruments: Disclosures	1 January 2021
Amendments to MFRS 9	Financial Instruments – <i>Interest Rate Benchmark Reform (Phase 2)</i>	1 January 2021
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
Amendments to MFRS 3	Business Combinations	1 January 2022
Amendments to MFRS 9	Financial Instruments – <i>Derecognition of Financial Liabilities</i>	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment	1 January 2022
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2023

The adoption of the above amended MFRSs are not expected to have any significant impact on the Group’s financial statements.

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**NOTES PURSUANT TO MFRS 134**

**A1.1 Amendments Issued but not yet Effective (cont'd)**

In addition, MASB has also issued amendments to MFRS 10 – Consolidated Financial Statements and MFRS 128 – Investments in Associates and Joint Ventures, which were effective from annual periods beginning on or after 1 January 2016. Subsequently, in December 2015 MASB announced the deferment of the mandatory effective date of these amendments. The Group will apply these amendments when they become applicable.

**A2 Revenue**

The disaggregation of the Group's revenue by major goods and service lines is set out below.

<b>For the period ended 30 September 2020</b> <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Total
<b><u>Major Goods/Service Lines</u></b>				
Revenue from rooms	67,308	-	-	67,308
Food and beverage sales	49,349	-	-	49,349
Rendering of ancillary services	5,240	-	-	5,240
Golf operations	1,872	-	-	1,872
Property rentals	-	16,834	-	16,834
Laundry services	-	-	1,526	1,526
<b>Total revenue</b>	<b>123,769</b>	<b>16,834</b>	<b>1,526</b>	<b>142,129</b>

<b>For the period ended 30 September 2019</b> <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Total
<b><u>Major Goods/Service Lines</u></b>				
Revenue from rooms	216,080	-	-	216,080
Food and beverage sales	142,849	-	-	142,849
Rendering of ancillary services	14,886	-	-	14,886
Golf operations	2,832	-	-	2,832
Property rentals	-	19,596	-	19,596
Laundry services	-	-	2,682	2,682
<b>Total revenue</b>	<b>376,647</b>	<b>19,596</b>	<b>2,682</b>	<b>398,925</b>

**A3 Seasonal or Cyclical Factors**

The business operations of the Group have not been materially affected by seasonal or cyclical factors during the financial period ended 30 September 2020.

**A4 Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the financial period ended 30 September 2020, except for the impact of the ongoing Covid-19 pandemic on the Group's operations and financial results as disclosed under notes B1 and B2.

Group shareholders' equity reduced by 9% to RM961.408 million at 30 September 2020. The decrease was attributable to retained losses for the nine months ended 30 September 2020 and payment of the second interim single-tier dividend of 12 sen per share in respect of financial year 2019, partly offset by foreign exchange translation gains. The Group's net asset value per share declined in tandem by 9% to RM2.19 at 30 September 2020 from RM2.40 at the 2019 year-end.

As at 30 September 2020, total current liabilities of RM228.901 million was higher than current assets of RM186.899 million, mainly as a result of a decline in cash reserves. During the nine months of 2020, the Group used its cash balances to fund the working capital requirements of its hotel operations which were adversely impacted by Covid-19 as well as the payment of the second interim single-tier dividend paid on 16 July 2020.



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**NOTES PURSUANT TO MFRS 134**

**A5 Material Changes in Estimates**

There were no changes in estimates of amounts reported in prior interim periods or changes in estimates of amounts reported in prior financial years, which have a material effect on the financial statements for the third quarter and financial period ended 30 September 2020.

**A6 Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period ended 30 September 2020.

**A7 Dividends Paid**

A second interim single-tier dividend of 12% or 12 sen per share for the financial year ended 31 December 2019 amounting to RM52.800 million was paid on 16 July 2020.

**A8 Segmental Reporting**

The segmental analysis of the Group's results and assets are set out below.

<b>For the period ended 30 September 2020</b> <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
<b><u>Segment Revenue</u></b>					
Revenue from external customers	123,769	16,834	1,526	-	142,129
Inter-segment revenue	-	1,754	929	(2,683)	-
<b>Total revenue</b>	<b>123,769</b>	<b>18,588</b>	<b>2,455</b>	<b>(2,683)</b>	<b>142,129</b>
<b><u>Segment Results</u></b>					
Operating (loss)/profit	(75,697)	11,018	(945)	(4,508)	(70,132)
Interest expense	(3,808)	(169)	(2,940)	3,964	(2,953)
Interest income	7,371	305	95	(2,828)	4,943
Share of results of associated companies	(170)	3,810	-	-	3,640
<b>(Loss)/profit before tax</b>	<b>(72,304)</b>	<b>14,964</b>	<b>(3,790)</b>	<b>(3,372)</b>	<b>(64,502)</b>

<b>As at 30 September 2020</b> <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets	999,393	353,527	14,617	(211,919)	1,155,618
Interest in associates	-	213,454	-	-	213,454
<b>Total assets</b>	<b>999,393</b>	<b>566,981</b>	<b>14,617</b>	<b>(211,919)</b>	<b>1,369,072</b>

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**NOTES PURSUANT TO MFRS 134**

**A9 Material Events Subsequent to the End of the Current Financial Period**

In the opinion of the Directors, there was no item or event of a material or unusual nature which has occurred between 30 September 2020 and the date of this report that would materially affect the results of the Group for the financial period ended 30 September 2020, except for the adverse impact of the Covid-19 pandemic and its economic consequences on the Group's hotel operations.

The Group has assessed the current trading performance of its businesses and the impact of Covid-19 on its future financial performance, cash flows and liquidity position under several stressed scenarios, and took into account the Group's overall financial position and exposure to principal risks. The Group's balance sheet and cash liquidity position are still considered to remain healthy, and that the Group has access to debt financing if required. Consequently, having considered the outcome of these assessments and after making appropriate enquiries, the Directors have a reasonable expectation that the Group will have adequate financial resources to meet its obligations and to continue in operational existence for a period of at least twelve months from 30 September 2020.

**A10 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the financial period ended 30 September 2020.

**A11 Changes in Contingent Liabilities or Contingent Assets**

Similar to many Unionised hotels in Malaysia, the Group's hotels, namely Rasa Sayang Resort, Shangri-La Hotel Kuala Lumpur, Hotel Jen Penang and Golden Sands Resort Penang ("the Group hotels") are involved in litigation proceedings at various stages with the National Union of Hotel, Bar and Restaurant Workers Peninsular Malaysia ("Union") arising from the minimum wage order, which first came into effect for the hotel industry on 1 October 2013.

The subject matter of the litigation essentially concerns the Top-Up Structure implemented by the Group hotels, whereby part of the service charge is converted to form part of the minimum wage. This is being disputed by the Union and the matter is currently pending in the Court of Appeal.

The Group companies are subject to claims and litigation from time to time arising in the ordinary course of business, and provisions are made if, based on available information and professional advice, liabilities are considered likely to arise.

At this juncture, the Group has made no provision for the potential financial liability of the pending litigation of the minimum wage issue as it cannot predict with any certainty the final outcome of the on-going litigation. This is because the legislation on the minimum wage is as yet untested in the Federal Court and the hotel industry in general is awaiting a landmark decision of the apex court to give clarity on the law on whether service charge can be used to form part of the minimum wage. The Group may incur financial liabilities depending on the final outcome of the on-going minimum wage litigation.

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**NOTES PURSUANT TO MFRS 134**

**A12 Capital Commitments**

Capital commitments for property, plant and equipment and investment properties not provided for as at 30 September 2020 are as follows:-

	RM'000
Authorised and contracted for	4,616
Authorised but not contracted for	84,855
	89,471

**A13 Related Party Transactions**

9 months ended 30.9.2020

RM'000

**Transactions with subsidiaries of the ultimate holding company**

Management, marketing and reservation fees to Shangri-La International Hotel Management Pte Ltd and Shangri-La Hotel Management (MY) Pte Ltd., including rental deposit from Family Heritage Gourmet Sdn Bhd.	5,165
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**Transactions with a major shareholder of the Company**

Office rental income from Kuok Brothers Sdn Berhad, PPB Group Berhad and Chemquest Sdn Bhd.	1,529
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**FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020**

**NOTES REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B**

**B1 Review of Group Results Nine Months 2020 vs Nine Months 2019**

As a consequence of the unprecedented disruption caused by the global Covid-19 crisis, Group revenue fell by 64% in the nine months ended 30 September 2020 to RM142.129 million from RM398.925 million for the corresponding period in 2019. Net loss attributable to shareholders for the nine months was RM42.375 million compared to a net profit of RM52.927 million in 2019.

The financial results for the first nine months of 2020 reflected the substantially reduced performances by the Group's hotel businesses, as border controls, travel restrictions and stringent containment measures deployed globally and domestically to contain the spread of the virus have had a devastating impact on travel demand and the global economy.

Amid difficult market conditions, revenue at Shangri-La Hotel Kuala Lumpur decreased by 72% over the nine months 2019 to RM35.931 million, reflecting material declines in both rooms and food and beverage business. In tandem, the hotel recorded a pre-tax loss of RM28.775 million, as compared to a profit of RM20.186 million for the nine months 2019. The hotel's occupancy was 15%, down from 68% the previous year.

The performance of Rasa Ria Resort was negatively affected by a steep fall in visitor arrivals, with occupancy declining from 72% in the nine-month period of 2019 to 19%, which led to a 75% drop in revenue to RM27.381 million. For the period, the resort made a pre-tax loss of RM17.762 million compared with a profit of RM33.781 million in the nine months 2019.

On the back of significantly weak leisure demand, occupancy for Rasa Sayang Resort in the first nine months of 2020 reduced to 36% from 72% for the same period last year, with overall revenue down by 55% to RM28.645 million. The resort turned in a pre-tax loss of RM7.277 million for the period, versus a profit of RM10.714 million in the previous year.

Similarly, occupancy at Golden Sand Resort deteriorated from 72% in the nine months 2019 to 38%, contributing to a 54% fall in revenue to RM18.573 million. The resort posted a pre-tax loss of RM5.346 million, as against a profit of RM6.994 million for the first nine months last year.

Overall revenue from Hotel Jen Penang declined by 65% during the first nine months of 2020 to RM10.892 million, driven by a reduction in occupancy from 77% in the nine months 2019 to 30%. Correspondingly, the hotel registered a pre-tax loss of RM9.497 million compared to a profit of RM0.976 million in the prior year period.

The Group's investment properties in Kuala Lumpur produced a combined rental revenue of RM18.588 million for the nine months 2020, 13% lower than the same period in 2019, and their pre-tax profit dropped to RM11.154 million from RM13.100 million the previous year.

For the nine months to 30 September 2020, the Group's share of profits from associated companies in Myanmar was RM3.640 million versus RM0.984 million in the comparable period of 2019. The Group's share of loss in Traders Yangon Company Ltd, its 23.5% associate which owns Sule Shangri-La Yangon amounted to RM5.193 million in the first nine months of 2020, of which RM5.023 million was not recognised pursuant to the requirements of MFRS 128.

**SHANGRI-LA HOTELS (MALAYSIA) BERHAD**  
**Reg. No: 197101000484 (10889-U)**  
**(Incorporated in Malaysia)**

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020**

**NOTES REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B**

**B2 Comparison of Group Results 3rd Quarter 2020 vs 2nd Quarter 2020**

Group revenue for the third quarter to 30 September 2020 increased to RM43.713 million from RM9.947 million in the second quarter ended 30 June 2020. The Group's net loss attributable to shareholders for the third quarter 2020 was RM15.322 million compared to RM29.084 million in the second quarter 2020.

Over the course of the third quarter 2020, the Group's hotel operations experienced an encouraging uptick in both rooms and food and beverage business from the domestic market. Growth was supported by the gradual lifting of local Covid-19 movement restrictions and the resumption of economic activities. Nonetheless, despite higher revenues and significant efforts to contain costs, all of the Group's hotels sustained losses in the third quarter 2020, albeit at lower levels compared to the second quarter 2020.

With increased domestic staycation business, the Group's hotels in Penang were able to record some improvements in occupancies during the third quarter 2020. At Rasa Sayang Resort, occupancy reached 44%, while Golden Sands Resort had a higher occupancy of 50%. Additionally, Hotel Jen Penang saw occupancy move up to 33% against the second quarter 2020.

Both Shangri-La Hotel Kuala Lumpur and Rasa Ria Resort showed modest growth in occupancy levels to 10% and 17% respectively when compared to the second quarter 2020.

For the three months to 30 September 2020, the combined rental revenue from the Group's investment properties in Kuala Lumpur grew by 10% from the second quarter 2020 to RM6.228 million.

**B3 Prospects for 2020**

The overall outlook for the Group's hotel businesses remains extremely challenging in a highly uncertain operating environment due to the protracted and evolving Covid-19 situation worldwide.

Occupancy and revenue levels across the Group's hotels continue to be under intense pressure from the ongoing border closures and market disruptions stemming from the Covid-19 pandemic. Overall business conditions for the Group's hotels in Kuala Lumpur, Penang and Sabah have been dampened further by the re-imposition of Covid-19-related movement restrictions along with a significant tightening of public health measures in response to a recent surge of new Covid-19 infections.

Trading conditions for the Group's investment properties in Kuala Lumpur are likely to stay subdued for the rest of the year amidst a sharp economic slowdown as a result of the pandemic.

Under these unprecedented circumstances, the Group expects its financial results to show a substantial loss for the full year 2020.

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**NOTES REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B**

**B4 Variance on Profit Forecast/Profit Guarantee**

Not applicable.

**B5 Taxation**

	3 months ended		9 months ended	
	30.9.2020 RM'000	30.9.2019 RM'000	30.9.2020 RM'000	30.9.2019 RM'000
Current taxation				
- Company and subsidiaries	1,053	7,721	2,845	17,849
Deferred taxation	(6,985)	(198)	(18,460)	(683)
(Over)/under provision in respect of prior years				
- Company and subsidiaries	-	(459)	23	(454)
	(5,932)	7,064	(15,592)	16,712

In the nine months ended 30 September 2020, the Group had an effective tax rate of 24.2%, which was broadly in line with the statutory tax rate of 24%.

**B6 Status of Corporate Proposals**

There were no corporate proposals and unutilised proceeds raised from any corporate proposals as at the date of this report.

**B7 Group Borrowings and Debt Securities**

The Group's total borrowings as at 30 September 2020 were RM166.978 million, compared with RM163.865 million at 30 September 2019.

<i>(All figures in RM'000)</i>	As at 30 September 2020	As at 30 September 2019
<b>Secured</b>		
Short Term	-	-
Long Term	-	-
	-	-
<b>Unsecured</b>		
Short Term	166,978 *	163,865 **
Long Term	-	-
<b>Total</b>	<b>166,978</b>	<b>163,865</b>

\* Amounts drawdown as at 30 September 2020 comprised HKD42.800 million and USD17.140 million from two offshore banks in Labuan, and USD17.500 million from a local bank.

\*\* Amounts drawdown as at 30 September 2019 comprised HKD42.800 million and USD16.150 million from two offshore banks in Labuan, and USD17.500 million from a local bank.

There were no debt securities in the financial period ended 30 September 2020.

**SHANGRI-LA HOTELS (MALAYSIA) BERHAD**  
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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020**

**NOTES REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B**

**B8 Financial Instruments**

**Derivatives**

There were no outstanding derivative financial instruments as at 30 September 2020.

**Gains/losses arising from fair value changes of financial liabilities**

There were no gains/losses arising from fair value changes of financial liabilities for the financial period ended 30 September 2020.

**B9 Changes in Material Litigation**

There was no material litigation pending as at the date of this report, except as disclosed in Note A11.

**B10 Dividend**

No dividend has been proposed for the nine months ended 30 September 2020.

**B11 (Loss)/Earnings per Share**

The basic (loss)/earnings per ordinary share for the nine (9) months ended 30 September 2020 have been calculated as follows:-

	3 months ended		9 months ended	
	30.9.2020	30.9.2019	30.9.2020	30.9.2019
(Loss)/Profit attributable to shareholders of the Company (RM'000)	(15,322)	21,252	(42,375)	52,927
No. of ordinary shares in issue ('000)	440,000	440,000	440,000	440,000
Basic (Loss)/Earnings Per Share (sen)	(3.48)	4.83	(9.63)	12.03

**Diluted (Loss)/Earnings per Share**

Not applicable.

**B12 Notes to the Statement of Comprehensive Income**

	3 months ended		9 months ended	
	30.9.2020 RM'000	30.9.2019 RM'000	30.9.2020 RM'000	30.9.2019 RM'000
<b>Net (loss)/profit for the period is arrived at after (charging)/crediting:-</b>				
Interest expense	(642)	(1,457)	(2,953)	(4,362)
Depreciation	(14,986)	(15,882)	(45,023)	(47,569)
Net foreign exchange loss	(17)	-	(260)	-
Write back/(allowance) for doubtful debts				
- trade receivables	133	10	(14)	36
Interest income	952	2,283	4,943	6,858

Other than the above which have been included in the statement of comprehensive income, there were no impairment of assets, gain or loss on disposal of quoted or unquoted investments or properties for the financial period ended 30 September 2020.

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2020**

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**NOTES REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B**

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**B13 Audit Report of the Group's Preceding Annual Financial Statements**

There was no qualification in the audit report of the Group's financial statements for the year ended 31 December 2019.

**By Order of the Board**

**Datin Rozina Mohd Amin**  
**Company Secretary**

**Kuala Lumpur**  
**10 November 2020**



# Quarterly rpt on consolidated results for the financial period ended 30 Sep 2020

## SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Financial Year End	31 Dec 2020
Quarter	3 Qtr
Quarterly report for the financial period ended	30 Sep 2020
The figures	have not been audited

### Attachments

 [3rd Qtr 30 September 2020 Results.pdf](#)  
1.5 MB

<b>Default Currency</b>	<b>Other Currency</b>
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Currency: Malaysian Ringgit (MYR)

### SUMMARY OF KEY FINANCIAL INFORMATION 30 Sep 2020

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Sep 2020	30 Sep 2019	30 Sep 2020	30 Sep 2019
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	43,713	141,717	142,129	398,925
2 Profit/(loss) before tax	-24,034	31,646	-64,502	76,370
3 Profit/(loss) for the period	-18,102	24,582	-48,910	59,658
4 Profit/(loss) attributable to ordinary equity holders of the parent	-15,322	21,252	-42,375	52,927
5 Basic earnings/(loss) per share (Subunit)	-3.48	4.83	-9.63	12.03
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	3.00

		AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7	Net assets per share attributable to ordinary equity holders of the parent (\$\$)	2.1900	2.4000

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

 **Announcement Info**

<b>Company Name</b>	SHANGRI-LA HOTELS (MALAYSIA) BERHAD
<b>Stock Name</b>	SHANG
<b>Date Announced</b>	10 Nov 2020
<b>Category</b>	Financial Results
<b>Reference Number</b>	FRA-09112020-00009