

SHANGRI-LA GROUP

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Shangri-La Asia Limited

(Incorporated in Bermuda with limited liability)

website: 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, 29 June 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

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
(10889-U)
(Incorporated in Malaysia)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		3 months ended	
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	88,469	137,358	88,469	137,358
Operating (loss)/profit	(17)	29,325	(17)	29,325
Interest expense	(1,255)	(1,429)	(1,255)	(1,429)
Interest income	2,278	2,199	2,278	2,199
Share of results of associated companies	1,521	826	1,521	826
Profit before tax	2,527	30,921	2,527	30,921
Tax expense	(783)	(6,554)	(783)	(6,554)
Profit for the period	1,744	24,367	1,744	24,367
<u>Attributable to:</u>				
Shareholders of the Company	2,031	22,115	2,031	22,115
Non-controlling interests	(287)	2,252	(287)	2,252
	1,744	24,367	1,744	24,367
Basic Earnings per Ordinary Share (sen)	0.46	5.03	0.46	5.03
Diluted 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 FIRST QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		3 months ended	
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
	RM'000	RM'000	RM'000	RM'000
Profit for the period	1,744	24,367	1,744	24,367
<u>Other comprehensive income/(expense)</u>				
<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	2,436	(542)	2,436	(542)
Total comprehensive income for the period	4,180	23,825	4,180	23,825
<u>Attributable to:</u>				
Shareholders of the Company	4,467	21,573	4,467	21,573
Non-controlling interests	(287)	2,252	(287)	2,252
	4,180	23,825	4,180	23,825

(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 FIRST QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.3.2020 RM'000	As at 31.12.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	647,080	656,252
Right-of-use assets	17,326	17,461
Investment properties	288,530	288,530
Interests in associates	219,377	206,603
Property development expenditure	12,286	12,286
Deferred tax assets	11,615	11,359
	<u>1,196,214</u>	<u>1,192,491</u>
Current assets		
Inventories	3,761	3,733
Trade and other receivables, prepayments and deposits	23,445	37,485
Tax recoverable	4,753	2,862
Short-term fund placements	247,507	254,968
Cash and bank balances	15,334	21,105
	<u>294,800</u>	<u>320,153</u>
Total assets	<u>1,491,014</u>	<u>1,512,644</u>
EQUITY		
Capital and reserves		
Share capital	544,501	544,501
Reserves	515,942	511,475
Total equity attributable to shareholders of the Company	<u>1,060,443</u>	<u>1,055,976</u>
Non-controlling interests	139,317	139,604
Total equity	<u>1,199,760</u>	<u>1,195,580</u>
LIABILITIES		
Non-current liabilities		
Retirement benefits	27,560	27,141
Lease liabilities	552	441
Deferred tax liabilities	20,115	20,665
	<u>48,227</u>	<u>48,247</u>
Current liabilities		
Trade and other payables and accruals	59,656	86,983
Contract liabilities	10,904	18,996
Lease liabilities	661	836
Short-term borrowings	171,444	161,413
Current tax liabilities	362	589
	<u>243,027</u>	<u>268,817</u>
Total liabilities	<u>291,254</u>	<u>317,064</u>
Total equity and liabilities	<u>1,491,014</u>	<u>1,512,644</u>
Net Assets per Ordinary Share (RM)	2.41	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 FIRST QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 3 months ended 31 March 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 →			
As previously reported at 1 January 2019	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)
Balance at 1 January 2019 as restated	544,501	37,281	477,793	1,059,575	132,106	1,191,681
Net profit for the period	-	-	22,115	22,115	2,252	24,367
Exchange differences on translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	(542)	-	(542)	-	(542)
Total comprehensive income/(expense) for the period	-	(542)	22,115	21,573	2,252	23,825
Balance at 31 March 2019	544,501	36,739	499,908	1,081,148	134,358	1,215,506
Balance at 1 January 2020	544,501	36,662	474,813	1,055,976	139,604	1,195,580
Net profit for the period	-	-	2,031	2,031	(287)	1,744
Exchange differences on translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	2,436	-	2,436	-	2,436
Total comprehensive income/(expense) for the period	-	2,436	2,031	4,467	(287)	4,180
Balance at 31 March 2020	544,501	39,098	476,844	1,060,443	139,317	1,199,760

(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)

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the 3 months ended 31 March 2020

	31.3.2020	31.3.2019
	RM'000	RM'000
Profit before tax	2,527	30,921
Adjustments for non-cash flow:-		
Non-cash items	14,211	15,680
Non-operating items	(1,023)	(770)
Operating profit before changes in working capital	15,715	45,831
Changes in working capital		
Net change in current assets	14,029	(1,992)
Net change in current liabilities	(35,419)	(21,725)
Cash (used in)/from operating activities	(5,675)	22,114
Income taxes paid	(3,707)	(6,917)
Retirement benefits paid	(249)	(340)
Net cash (outflow)/inflow from operating activities	(9,631)	14,857
Investing activities		
Interest income received	2,278	2,199
Purchase of property, plant and equipment	(5,597)	(4,960)
Net cash outflow from investing activities	(3,319)	(2,761)
Financing activities		
Drawdown of borrowings	1,214	1,389
Interest element of lease rentals paid	(16)	(21)
Repayment of lease liabilities	(241)	(246)
Interest expense paid	(1,239)	(1,408)
Net cash outflow from financing activities	(282)	(286)
Net (decrease)/increase in cash & cash equivalents	(13,232)	11,810
Cash & cash equivalents at beginning of the year	276,073	233,712
Cash & cash equivalents at end of financial period	262,841	245,522

(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 FIRST QUARTER ENDED 31 MARCH 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 3	Business Combinations	1 January 2022
Amendments to MFRS 9	Financial Instruments	1 January 2022
Amendments to MFRS 101	Presentation of Financial Statements	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

The adoption of the above amendments to MFRSs are not expected to have a significant effect on the Group’s financial statements.

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

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 are 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.

For the period ended 31 March 2020 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Total
<u>Major Goods/Service Lines</u>				
Revenue from rooms	46,467	-	-	46,467
Food and beverage sales	30,960	-	-	30,960
Rendering of ancillary services	3,327	-	-	3,327
Golf operations	898	-	-	898
Property rentals	-	6,099	-	6,099
Laundry services	-	-	718	718
Total revenue	81,652	6,099	718	88,469

For the period ended 31 March 2019 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Total
<u>Major Goods/Service Lines</u>				
Revenue from rooms	75,318	-	-	75,318
Food and beverage sales	48,472	-	-	48,472
Rendering of ancillary services	4,947	-	-	4,947
Golf operations	1,173	-	-	1,173
Property rentals	-	6,544	-	6,544
Laundry services	-	-	904	904
Total revenue	129,910	6,544	904	137,358

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 31 March 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 31 March 2020.

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 first quarter ended 31 March 2020.

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FOR THE FIRST QUARTER ENDED 31 MARCH 2020

NOTES PURSUANT TO MFRS 134

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 31 March 2020.

A7 Dividends Paid

There was no dividend paid during the financial period ended 31 March 2020.

A8 Segmental Reporting

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

For the period ended 31 March 2020 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment Revenue					
Revenue from external customers	81,652	6,099	718	-	88,469
Inter-segment revenue	-	600	527	(1,127)	-
Total revenue	81,652	6,699	1,245	(1,127)	88,469
Segment Results					
Operating profit	2,934	3,996	(1,677)	(5,270)	(17)
Interest expense	(1,136)	(56)	(1,257)	1,194	(1,255)
Interest income	2,934	121	37	(814)	2,278
Share of results of associated companies	(170)	1,691	-	-	1,521
Profit before tax	4,562	5,752	(2,897)	(4,890)	2,527

As at 31 March 2020 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets	1,049,483	355,529	15,130	(148,505)	1,271,637
Interest in associates	-	219,377	-	-	219,377
Total assets	1,049,483	574,906	15,130	(148,505)	1,491,014

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 31 March 2020 and the date of this report that would materially affect the results of the Group for the financial period ended 31 March 2020, except for the impact of the Covid-19 pandemic on the Group's hotel operations as disclosed in Note 32 of the Company's Annual Financial Statements for the year ended 31 December 2019.

Given the high level of uncertainty and evolving Covid-19 situation, the Group is unable to quantify with any certainty at this point in time the full operating and financial impact of the Covid-19 crisis on the Group's business for the financial year 2020.

A10 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2020.

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

NOTES PURSUANT TO MFRS 134

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.

A12 Capital Commitments

Capital commitments for property, plant and equipment and investment properties not provided for as at 31 March 2020 are as follows:-

	RM'000
Authorised and contracted for	5,801
Authorised but not contracted for	89,906
	95,707

A13 Related Party Transactions

3 months ended 31.3.2020

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.	
- Rental deposit from Family Heritage Gourment Sdn Bhd.	3,426

Transactions with a major shareholder of the Company

- Office rental income from Kuok Brothers Sdn Berhad, PPB Group Berhad and Chemquest Sdn Bhd.	486
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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

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

B1 Review of Group Results 1st Quarter 2020 vs 1st Quarter 2019

In the first three months to 31 March 2020, Group revenue dropped by 36% to RM88.469 million, compared with RM137.358 million for the same quarter in 2019. Group net profit attributable to shareholders for the period was RM2.031 million, a decrease of 91% from RM22.115 million reported in 2019.

The Group's financial performance in the first quarter 2020 was significantly impacted by the lower operating results from its hotel businesses amid extremely challenging conditions due to the unprecedented disruption caused by the Covid-19 pandemic.

During the quarter, extensive travel restrictions and lockdowns taken by governments worldwide, along with the Movement Control Order introduced by the Malaysian government to stem the rapid spread of the virus, resulted in a sudden and steep slump in leisure and business travel. These factors inevitably led to material reductions in revenues, both from rooms and from food and beverage at all the Group's hotels.

Against this backdrop, Shangri-La Hotel Kuala Lumpur posted a 46% drop in revenue from the first quarter 2019 to RM24.200 million, on the back of a lower occupancy of 35% versus 67% the previous year. The hotel turned in a pre-tax loss of RM2.734 million for the first quarter 2020, as compared to a profit of RM9.105 million in 2019.

Overall revenue at Rasa Ria Resort was down by 42% during the period to RM20.823 million, and pre-tax profit reduced from RM11.088 million in the first quarter 2019 to RM1.547 million. Occupancy for the resort was 39%, compared to 72% in the prior year.

Rasa Sayang Resort saw revenue slip by 26% over the first three months of 2019 to RM17.604 million, with pre-tax profit decreasing to RM2.139 million from RM5.901 million the previous year. The resort's occupancy fell to 60% from 80% last year.

Equally, revenue from Golden Sands Resort declined by 23% to RM10.630 million, in response to a reduction in occupancy to 58% from 72% in the first quarter 2019. For the period, the resort made a lower pre-tax profit of RM0.961 million, compared with RM2.696 million in 2019.

Owing to a fall in business, occupancy at Hotel Jen Penang, decreased from 73% in the first quarter 2019 to 53%, which resulted in a 28% decline in revenue from the first quarter last year to RM7.189 million. As a consequence, the hotel registered a pre-tax loss of RM1.551 million, compared to a profit of RM0.224 million in the 2019 first quarter.

The combined rental revenue for the Group's investment properties in Kuala Lumpur recorded a drop of 6% to RM6.699 million in the first three months of 2020, while their combined pre-tax profit fell from RM4.379 million in the same period of 2019 to RM4.061 million.

For the first quarter to 31 March 2020, the Group's share of profits from associates in Myanmar was higher at RM1.521 million, as against RM0.826 million in the comparable quarter in 2019.

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

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

B2 Comparison of Group Results 1st Quarter 2020 vs 4th Quarter 2019

The Group's revenue for the first quarter to 31 March 2020 was RM88.469 million, down 29% from RM125.094 million in the fourth quarter ended 31 December 2019. Group net profit attributable to shareholders for the first quarter correspondingly declined to RM2.031 million, compared with RM10.398 million for the fourth quarter 2019.

The first quarter financial results reflected weaker contributions from the Group's hotel operations as revenue and occupancy levels were negatively impacted by the outbreak of Covid-19. Coupled with this, the overall results were reduced further by a lower contribution of RM1.521 million from the Group's associates in Myanmar, as compared to RM3.972 million in the fourth quarter 2019 which had included fair value gains recognised at the end of 2019.

In the first quarter, revenue for Shangri-La Hotel Kuala Lumpur fell by 42% over the fourth quarter 2019 to RM24.200 million. At Rasa Ria Resort, a substantial drop in visitor arrivals led to a fall in occupancy to 39%, compared with 58% in the fourth quarter 2019.

The performances of both Rasa Sayang Resort and Golden Sands Resort were similarly affected by reductions in occupancy levels. At Rasa Sayang Resort, occupancy dipped to 60% against 63% in the 2019 fourth quarter, while at Golden Sands Resort occupancy decreased from 67% to 58%. Additionally, revenue from Hotel Jen Penang reduced by 36% when compared to the fourth quarter 2019 in line with a decline in occupancy from 78% to 53%.

In the three-month period to 31 March 2020, the combined rental revenue from the Group's investment properties in Kuala Lumpur was RM6.699 million, down 9% on the fourth quarter 2019.

B3 Prospects for 2020

Going forward, the outlook for the Group's hotel businesses remains very difficult in a highly uncertain operating environment. The ongoing impact of the Covid-19 pandemic on travel demand as well as the unprecedented uncertainties and challenges presented by the crisis will continue to put significant pressure on revenue and occupancy levels of the Group's hotel operations in the near term.

In response to the market downturn, comprehensive cost saving measures and contingency plans have been implemented at every hotel, and further steps are being taken to contain costs as well as to conserve cash and manage liquidity effectively. With the gradual easing of containment measures and travel restrictions, the Group hotels are stepping up their marketing efforts to drive up demand and business from the domestic travel market.

For the Group's investment properties in Kuala Lumpur, market conditions for UBN Tower and UBN Apartments are likely to remain subdued through 2020 due to declining economic activity arising from the effects of the pandemic.

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
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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

The tax charge of the Group for the financial period under review is as follows:-

	3 months ended		3 months ended	
	31.3.2020 RM'000	31.3.2019 RM'000	31.3.2020 RM'000	31.3.2019 RM'000
Current taxation				
- Company and subsidiaries	1,588	6,565	1,588	6,565
Deferred taxation	(805)	(54)	(805)	(54)
(Over)/under provision in respect of prior years				
- Company and subsidiaries	-	43	-	43
	783	6,554	783	6,554

The Group's effective tax rate for the first quarter ended 31 March 2020 was 31%. This rate is higher than the statutory tax rate of 24%, largely because the net losses incurred in certain companies cannot be offset against the taxable profits of other companies in the Group.

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 31 March 2020 were RM171.444 million, compared with RM156.915 million at 31 March 2019.

<i>(All figures in RM'000)</i>	As at 31 March 2020	As at 31 March 2019
Secured		
Short Term	-	-
Long Term	-	-
Unsecured		
Short Term	171,444 *	156,915 **
Long Term	-	-
Total	171,444	156,915

* Amounts drawdown as at 31 March 2020 comprised HKD42.800 million and USD16.730 million from two offshore banks in Labuan, and USD17.500 million from a local bank.

** Amounts drawdown as at 31 March 2019 comprised HKD42.800 million and USD15.460 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 31 March 2020.

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
(10889-U)
(Incorporated in Malaysia)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 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 31 March 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 31 March 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 interim dividend has been declared for the financial period ended 31 March 2020.

B11 Earnings per Share

The basic earnings per ordinary share for the three (3) months ended 31 March 2020 have been calculated as follows:-

	3 months ended		3 months ended	
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
Profit attributable to shareholders of the Company (<i>RM'000</i>)	2,031	22,115	2,031	22,115
No. of ordinary shares in issue (<i>'000</i>)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (<i>sen</i>)	0.46	5.03	0.46	5.03

Diluted Earnings per Share

Not applicable.

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

B12 Notes to the Statement of Comprehensive Income

	3 months ended		3 months ended	
	31.3.2020 RM'000	31.3.2019 RM'000	31.3.2020 RM'000	31.3.2019 RM'000
Net profit for the period is arrived at after charging:-				
Interest expense	(1,255)	(1,429)	(1,255)	(1,429)
Depreciation	(15,085)	(15,855)	(15,085)	(15,855)
Foreign exchange loss	(202)	-	(202)	-
Allowance for doubtful debts - trade receivables	(44)	(4)	(44)	(4)
and after crediting:-				
Interest income	2,278	2,199	2,278	2,199
Foreign exchange gain	14	-	14	-
Write back of allowance for doubtful debts - trade receivables	61	-	61	-

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 31 March 2020.

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
29 June 2020

Quarterly rpt on consolidated results for the financial period ended 31 Mar 2020

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Financial Year End	31 Dec 2020
Quarter	1 Qtr
Quarterly report for the financial period ended	31 Mar 2020
The figures	have not been audited

Attachments

[1st Qtr 31 March 2020 Results.pdf](#)
1.2 MB

Default Currency

Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 Mar 2020

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Mar 2020	31 Mar 2019	31 Mar 2020	31 Mar 2019
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	88,469	137,358	88,469	137,358
2 Profit/(loss) before tax	2,527	30,921	2,527	30,921
3 Profit/(loss) for the period	1,744	24,367	1,744	24,367
4 Profit/(loss) attributable to ordinary equity holders of the parent	2,031	22,115	2,031	22,115
5 Basic earnings/(loss) per share (Subunit)	0.46	5.03	0.46	5.03
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00

		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 (\$\$)	2.4101	2.3999

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

Company Name	SHANGRI-LA HOTELS (MALAYSIA) BERHAD
Stock Name	SHANG
Date Announced	29 Jun 2020
Category	Financial Results
Reference Number	FRA-29062020-00043