

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 August 2022

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

Executive directors

Ms KUOK Hui Kwong (Chairman)

Mr LIM Beng Chee (Group CEO)

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

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Reg. No: 197101000484 (10889-U)

(Incorporated in Malaysia)

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2022**

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

| | 3 months ended | | 6 months ended | |
|--|----------------|-----------------|-----------------|-----------------|
| | 30.6.2022 | 30.6.2021 | 30.6.2022 | 30.6.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 79,318 | 20,325 | 136,434 | 43,039 |
| Operating loss | (2,495) | (29,771) | (15,709) | (58,087) |
| Interest expense | (1,018) | (560) | (1,746) | (1,141) |
| Interest income | 32 | 400 | 146 | 926 |
| Share of results of associated companies | 213 | 1,070 | 607 | 2,115 |
| Loss before tax | (3,268) | (28,861) | (16,702) | (56,187) |
| Tax income/(expense) | 460 | 5,746 | (1,415) | 9,903 |
| Loss for the period | (2,808) | (23,115) | (18,117) | (46,284) |
| <u>Attributable to:</u> | | | | |
| Shareholders of the Company | (2,016) | (20,102) | (14,958) | (39,674) |
| Non-controlling interests | (792) | (3,013) | (3,159) | (6,610) |
| | (2,808) | (23,115) | (18,117) | (46,284) |
| Basic Loss per Ordinary Share (sen) | (0.46) | (4.57) | (3.40) | (9.02) |
| 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 2021)

NA - not applicable

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2022**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 3 months ended | | 6 months ended | |
|---|----------------|-----------------|-----------------|-----------------|
| | 30.6.2022 | 30.6.2021 | 30.6.2022 | 30.6.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Loss for the period | (2,808) | (23,115) | (18,117) | (46,284) |
| <u>Other comprehensive income</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 | 685 | 4 | 879 | 1,255 |
| Total comprehensive expense for the period | (2,123) | (23,111) | (17,238) | (45,029) |
| <i>Attributable to:</i> | | | | |
| Shareholders of the Company | (1,331) | (20,098) | (14,079) | (38,419) |
| Non-controlling interests | (792) | (3,013) | (3,159) | (6,610) |
| | (2,123) | (23,111) | (17,238) | (45,029) |

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021)

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at 30.6.2022 RM'000 | As at 31.12.2021 RM'000 |
|---|------------------------------|-------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 547,306 | 565,899 |
| Right-of-use assets | 16,460 | 16,700 |
| Investment properties | 287,700 | 287,700 |
| Interests in associates | 194,563 | 182,592 |
| Property development expenditure | 12,286 | 12,286 |
| Deferred tax assets | 62,689 | 62,141 |
| | <u>1,121,004</u> | <u>1,127,318</u> |
| Current assets | | |
| Inventories | 2,923 | 2,958 |
| Trade and other receivables, prepayments and deposits | 21,332 | 16,289 |
| Tax recoverable | 2,284 | 4,403 |
| Short-term fund placements | 51,402 | 56,471 |
| Cash and bank balances | 18,035 | 21,699 |
| | <u>95,976</u> | <u>101,820</u> |
| Total assets | <u>1,216,980</u> | <u>1,229,138</u> |
| EQUITY | | |
| Capital and reserves | | |
| Share capital | 544,501 | 544,501 |
| Reserves | 259,677 | 273,756 |
| Total equity attributable to shareholders of the Company | <u>804,178</u> | <u>818,257</u> |
| Non-controlling interests | 113,529 | 116,688 |
| Total equity | <u>917,707</u> | <u>934,945</u> |
| LIABILITIES | | |
| Non-current liabilities | | |
| Retirement benefits | 21,810 | 21,868 |
| Lease liabilities | 222 | 363 |
| Deferred tax liabilities | 12,103 | 12,102 |
| | <u>34,135</u> | <u>34,333</u> |
| Current liabilities | | |
| Trade and other payables and accruals | 68,153 | 71,740 |
| Provision | 1,132 | 2,585 |
| Contract liabilities | 12,741 | 9,836 |
| Lease liabilities | 660 | 575 |
| Short-term borrowings | 181,969 | 174,731 |
| Current tax liabilities | 483 | 393 |
| | <u>265,138</u> | <u>259,860</u> |
| Total liabilities | <u>299,273</u> | <u>294,193</u> |
| Total equity and liabilities | <u>1,216,980</u> | <u>1,229,138</u> |
| Net Assets per Ordinary Share (RM) | 1.83 | 1.86 |
| 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 2021)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 6 months ended 30 June 2022

| <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 → | | | |
| Balance at 1 January 2021 | 544,501 | 36,081 | 325,205 | 905,787 | 127,722 | 1,033,509 |
| Net loss for the period | - | - | (39,674) | (39,674) | (6,610) | (46,284) |
| Exchange differences on translation of foreign operations and foreign currency loans forming part of net investment in foreign operations | - | 1,255 | - | 1,255 | - | 1,255 |
| Total comprehensive income/(expense) for the period | - | 1,255 | (39,674) | (38,419) | (6,610) | (45,029) |
| Balance at 30 June 2021 | 544,501 | 37,336 | 285,531 | 867,368 | 121,112 | 988,480 |
| Balance at 1 January 2022 | 544,501 | 37,299 | 236,457 | 818,257 | 116,688 | 934,945 |
| Net loss for the period | - | - | (14,958) | (14,958) | (3,159) | (18,117) |
| Exchange differences on translation of foreign operations and foreign currency loans forming part of net investment in foreign operations | - | 879 | - | 879 | - | 879 |
| Total comprehensive income/(expense) for the period | - | 879 | (14,958) | (14,079) | (3,159) | (17,238) |
| Balance at 30 June 2022 | 544,501 | 38,178 | 221,499 | 804,178 | 113,529 | 917,707 |

(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 2021)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2022

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the 6 months ended 30 June 2022

| | 30.6.2022 | 30.6.2021 |
|--|------------------|------------------|
| | RM'000 | RM'000 |
| Loss before tax | (16,702) | (56,187) |
| Adjustments for non-cash flow:- | | |
| Non-cash items | 26,084 | 28,624 |
| Non-operating items | 1,600 | 215 |
| Operating profit/(loss) before changes in working capital | 10,982 | (27,348) |
| Changes in working capital | | |
| Net change in current assets | (5,014) | 334 |
| Net change in current liabilities | (1,820) | (28,830) |
| Cash from/(used in) operating activities | 4,148 | (55,844) |
| Income taxes refund/(paid) | 247 | (1,291) |
| Retirement benefits paid | (1,171) | (838) |
| Net cash inflow/(outflow) from operating activities | 3,224 | (57,973) |
| Investing activities | | |
| Interest income received | 146 | 926 |
| Purchase of property, plant and equipment | (6,815) | (1,817) |
| Net cash outflow from investing activities | (6,669) | (891) |
| Financing activities | | |
| Drawdown of borrowings | 1,753 | 1,104 |
| Repayment of borrowings | (5,000) | - |
| Payment of lease obligations | (318) | (500) |
| Interest expense paid | (1,723) | (1,111) |
| Net cash outflow from financing activities | (5,288) | (507) |
| Net decrease in cash & cash equivalents | (8,733) | (59,371) |
| Cash & cash equivalents at beginning of the year | 78,170 | 129,730 |
| Cash & cash equivalents at end of financial period | 69,437 | 70,359 |

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2022

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 2021. 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 2021, except for the adoption of amendments to Malaysian Financial Reporting Standards (“MFRSs”) that are relevant to its operations and effective for the financial period beginning 1 January 2022, which are set out below.

| | |
|------------------------|--|
| Amendments to MFRS 3 | Business Combinations (<i>Reference to the Conceptual Framework</i>) |
| Amendments to MFRS 9 | Financial Instruments (<i>Annual Improvements to MFRS Standards 2018 - 2020</i>) |
| Amendments to MFRS 16 | Leases (<i>Covid-19 - Related Rent Concessions beyond 30 June 2021</i>) Leases (<i>Annual Improvements to MFRS Standards 2018 - 2020</i>) |
| Amendments to MFRS 116 | Property, Plant and Equipment (<i>Proceeds before Intended Use</i>) |
| Amendments to MFRS 137 | Provisions, Contingent Liabilities and Contingent Assets (<i>Onerous Contracts–Cost of Fulfilling a Contract</i>) |

The adoption of these amended MFRSs has no material effect on the financial statements or position of the Group.

Amendments not yet Effective

The following amendments to MFRSs have been issued and are relevant to the Group effective for the annual reporting period commencing 1 January 2023, which are not expected to significantly impact the Group’s financial statements. The Group will adopt these amendments to MFRSs from their effective dates.

| | | Effective for annual periods beginning on or after |
|------------------------|--|--|
| Amendments to MFRS 101 | Presentation of Financial Statements | 1 January 2023 |
| Amendments to MFRS 108 | Accounting Policies, Changes in Accounting Estimates and Errors | 1 January 2023 |
| Amendments to MFRS 112 | Income Taxes | 1 January 2023 |

In addition, MASB had earlier issued amendments to MFRS 10 – Consolidated Financial Statements and MFRS 128 – Investments in Associates and Joint Ventures, however the effective dates of the amendments to MFRS 10 and MFRS 128 have been deferred by MASB. The Group will apply the amendments to MFRS 10 and MFRS 128 when they become applicable.

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2022

NOTES PURSUANT TO MFRS 134

A2 Revenue

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

| For the period ended 30 June 2022 <i>(All figures in RM'000)</i> | Hotels & Resorts | Investment Properties | Others | Total |
|--|---------------------|--------------------------|--------------|----------------|
| Major Goods/Service Lines | | | | |
| Revenue from rooms | 64,664 | - | - | 64,664 |
| Food and beverage sales | 54,525 | - | - | 54,525 |
| Rendering of ancillary services | 4,338 | - | - | 4,338 |
| Golf operations | 1,220 | - | - | 1,220 |
| Property rentals | - | 10,314 | - | 10,314 |
| Laundry services | - | - | 1,373 | 1,373 |
| Total revenue | 124,747 | 10,314 | 1,373 | 136,434 |

| For the period ended 30 June 2021 <i>(All figures in RM'000)</i> | Hotels & Resorts | Investment Properties | Others | Total |
|--|---------------------|--------------------------|------------|---------------|
| Major Goods/Service Lines | | | | |
| Revenue from rooms | 12,930 | - | - | 12,930 |
| Food and beverage sales | 16,280 | - | - | 16,280 |
| Rendering of ancillary services | 1,814 | - | - | 1,814 |
| Golf operations | 825 | - | - | 825 |
| Property rentals | - | 10,734 | - | 10,734 |
| Laundry services | - | - | 456 | 456 |
| Total revenue | 31,849 | 10,734 | 456 | 43,039 |

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 June 2022.

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 June 2022, except for the continued repercussions of Covid-19 on the Group's business operations and financial results as disclosed in notes B1 and B2.

As at 30 June 2022, Group shareholders' equity stood at RM804.178 million, a decline of RM14.079 million from RM818.257 million recorded at the end of 2021 attributed to the net loss of RM14.958 million for the first half-year ended 30 June 2022, partially offset by positive foreign exchange translation effects. Consequently, the Group's net asset value per share fell in tandem to RM1.83 at 30 June 2022, as against RM1.86 at 31 December 2021.

Group total current assets of RM95.976 million at 30 June 2022 were RM5.844 million lower than RM101.820 million at the end of December 2021. The decrease was largely driven by a reduction in the Group's cash balances which were utilised during the first six months of 2022 to fund the operating losses of the Group's hotel businesses as operating activities continued to be impacted by Covid-19, and to repay short-term bank borrowings of RM5.000 million.

At 30 June 2022, Group total current liabilities were RM265.138 million, RM5.278 million higher than RM259.860 million as at the previous year-end, mainly reflecting the impact of unfavourable foreign exchange movements on the translation of the Group's US dollar bank borrowings and the repayment of the short-term borrowings of RM5.000 million, partly offset by lower accounts payable and accruals.

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FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2022

NOTES PURSUANT TO MFRS 134

A4 Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows (cont'd)

In light of the ongoing impact of Covid-19 on the Group's hotel operations and financial performance and the significant uncertainty around the pace of business recovery, the Group has assessed the potential impact of Covid-19 on its future financial performance, cash flows and liquidity position. The Group's projected cash flows were stress tested under a range of plausible downside scenarios including the risk of further setbacks to recovery, taking into account the Group's principal risks. Having considered the outcome of these assessments and after making appropriate enquiries, the Directors have a reasonable expectation that the Group has sufficient liquidity to enable it to meet its operating cash requirements and financial obligations, and to continue in operational existence for a period of at least twelve months from 30 June 2022.

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 second quarter and financial period ended 30 June 2022.

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 June 2022.

A7 Dividends Paid

No dividend was paid during the financial period ended 30 June 2022.

A8 Segmental Reporting

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

| For the period ended 30 June 2022 <i>(All figures in RM'000)</i> | Hotels & Resorts | Investment Properties | Others | Inter-segment Elimination | Consolidated Total |
|--|---------------------|--------------------------|---------|------------------------------|-----------------------|
| Segment Revenue | | | | | |
| Revenue from external customers | 124,747 | 10,314 | 1,373 | - | 136,434 |
| Inter-segment revenue | - | 1,150 | 612 | (1,762) | - |
| Total revenue | 124,747 | 11,464 | 1,985 | (1,762) | 136,434 |
| Segment Results | | | | | |
| Operating (loss)/profit | (12,448) | 6,414 | (2,920) | (6,755) | (15,709) |
| Interest expense | (2,838) | (112) | (1,590) | 2,794 | (1,746) |
| Interest income | 2,176 | 24 | 5 | (2,059) | 146 |
| Share of results of associated companies | - | 607 | - | - | 607 |
| (Loss)/profit before tax | (13,110) | 6,933 | (4,505) | (6,020) | (16,702) |
| As at 30 June 2022 <i>(All figures in RM'000)</i> | | | | | |
| Segment assets | 866,631 | 355,774 | 6,353 | (206,341) | 1,022,417 |
| Interest in associates | - | 194,563 | - | - | 194,563 |
| Total assets | 866,631 | 550,337 | 6,353 | (206,341) | 1,216,980 |

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2022

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 June 2022 and the date of this report that would materially affect the results of the Group for the financial period ended 30 June 2022.

A10 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 30 June 2022.

A11 Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities and assets of the Group since the last annual balance sheet date as at 31 December 2021 to the date of this report.

A12 Capital Commitments

Capital commitments for property, plant and equipment and investment properties not provided for as at 30 June 2022 are as follows:-

| | RM'000 |
|-----------------------------------|--------|
| Authorised and contracted for | 3,467 |
| Authorised but not contracted for | 15,991 |
| | 19,458 |

A13 Related Party Transactions

6 months ended 30.6.2022
RM'000

Transactions with subsidiaries of the ultimate holding company

| | |
|---|-------|
| Management, marketing and reservation fees to Shangri-La Hotel Management (MY) Pte Ltd. | 4,840 |
|---|-------|

Transactions with a major shareholder of the Company

| | |
|---|-------|
| Office rental income from Kuok Brothers Sdn Berhad, PPB Group Berhad and Chemquest Sdn Bhd. | 1,043 |
|---|-------|

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

B1 Review of Group Results 1st Half 2022 vs 1st Half 2021

During the first six months to 30 June 2022, Group revenue rose by 217% to RM136.434 million from RM43.039 million for the same period in 2021. Consequently, the Group's net loss attributable to shareholders in the first six months of 2022 reduced significantly by 62% to RM14.958 million, as compared to the net loss of RM39.674 million reported in 2021.

The Group's first half-year financial results were underpinned by the reduction in losses across its hotel operations as well as by profit contributions from the Group's resorts in Penang. Throughout the period, the Group's hotels and resorts saw business activities rebound steadily as Covid-19 pandemic restrictions and international border controls were gradually lifted, which led to increased revenues from rooms business and food and beverage, generated mainly from the domestic market.

Revenue from Shangri-La Hotel Kuala Lumpur advanced by 245% over the first six months of 2021 to RM41.497 million, largely supported by stronger food and beverage business. For the first half 2022, the hotel narrowed its pre-tax loss to RM6.010 million from RM19.237 million in the half-year 2021. Occupancy of the hotel was 22%, compared with 7% the previous year.

Boosted by improved leisure business, occupancy at Rasa Sayang Resort rose to 56% from 8% in the first half 2021, with revenue growing by 528% to RM29.628 million. Accordingly, the resort registered a pre-tax profit of RM2.200 million for the first six months of 2022, reversing the pre-tax loss of RM9.909 million in the same period a year ago.

Golden Sands Resort also grew its occupancy to 56% from 13% in the first half 2021, on the back of a healthy upturn in demand from the domestic sector, with revenue up by 397% to RM20.456 million. The resort ended the first half 2022, with a pre-tax profit of RM1.429 million, as against a loss of RM6.895 million in the prior year period.

Revenue at Rasa Ria Resort increased by 172% to RM20.713 million, helped by a steady rise in occupancy to 26% from 12% in the first six months of 2021. The resort made a lower pre-tax loss of RM11.126 million, compared with a loss of RM15.137 million in the first half last year.

At Hotel Jen Penang, occupancy climbed to 39% from 11% in the six-month period of 2021, leading to a revenue increase of 349% to RM11.089 million. The hotel's pre-tax loss was RM1.867 million, a reduction of 74% from the loss of RM7.072 million in the first half 2021.

On account of softer occupancy rates, the combined rental revenue from the Group's investment properties in Kuala Lumpur for the first six months of 2022 was down by 4% to RM11.464 million, and their pre-tax profit decreased from RM7.024 million in the half-year 2021 to RM6.326 million.

In the first six months ended 30 June 2022, the Group's share of profits from associates in Myanmar dropped to RM0.607 million from RM2.115 million in the corresponding period of 2021. Pursuant to the requirements of MFRS 128, the Group's unrecognised share of losses for the first half 2022 in Traders Yangon Company Ltd ("TYCL") in which it holds a 23.5% stake amounted to RM3.261 million. TYCL owns and operates Sule Shangri-La Yangon, the Group's associate hotel.

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

B2 Comparison of Group Results 2nd Quarter 2022 vs 1st Quarter 2022

The Group's revenue for the second quarter ended 30 June 2022 was RM79.318 million, 39% more than the revenue of RM57.116 million recorded in the first quarter ended 31 March 2022. Group net loss attributable to shareholders for the second quarter 2022 decreased to RM2.016 million, compared with the net loss of RM12.942 million in the first quarter 2022, mainly attributable to substantially reduced losses incurred by Shangri-La Hotel Kuala Lumpur and Rasa Ria Resort, coupled with the positive business performance achieved by the Group's resorts in Penang.

During the second quarter 2022, Shangri-La Hotel Kuala Lumpur delivered a 34% increase in revenue to RM23.781 million, with growth contributed mainly from higher food and beverage sales. Overall revenue at Rasa Ria Resort rose by 79% from the first quarter 2022 to RM13.294 million, in line with an improved occupancy of 32% from 20% in the first quarter 2022.

Both Rasa Sayang Resort and Golden Sands Resort also posted revenue growth against the first quarter 2022, benefiting from enhanced leisure business. Occupancy at Rasa Sayang Resort for the second quarter 2022 grew to 64% from 47%, while Golden Sands Resort saw occupancy strengthen to 58% from 53%. Equally, revenue from Hotel Jen Penang was up by 102% when compared to the first quarter 2022, driven by a higher occupancy level of 51% versus 27% in the 2022 first quarter.

For the three months to 30 June 2022, the combined rental revenue from the Group's investment properties was RM5.720 million, broadly comparable to that in the first quarter 2022.

B3 Prospects for 2022

Going forward, the outlook for the Group's hotel businesses for the second half of 2022 remains challenging due to the ongoing significant uncertainties around the Covid-19 situation.

While the Group's hotels and resorts should further benefit from the positive momentum in business recovery from the domestic market, their operating performances continue to be hampered by a slower rebound from their key regional and long-haul leisure and corporate travel markets, particularly from China and Hong Kong where stringent government restrictions on travel remain in place to contain the spread of Covid-19.

The occupancy rates of the Group's investment properties in Kuala Lumpur continue to be under pressure with softer demand trends amid a sluggish economic environment.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2022

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 | | 6 months ended | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 30.6.2022 RM'000 | 30.6.2021 RM'000 | 30.6.2022 RM'000 | 30.6.2021 RM'000 |
| Current taxation | | | | |
| - Company and subsidiaries | 994 | 1,129 | 1,985 | 2,076 |
| Deferred taxation | (1,429) | (6,938) | (4,741) | (13,254) |
| (Over)/under provision in respect of prior years | | | | |
| - Company and subsidiaries | (25) | 63 | 4,171 | 1,275 |
| | (460) | (5,746) | 1,415 | (9,903) |

The effective tax rate of the Group for the first six months ended 30 June 2022 was 8%, compared with the statutory tax rate of 24%. The lower effective tax rate for the period was mainly attributable to adjustments in the Group's deferred tax asset balances relating to the prior year and the non-recognition of tax losses in certain subsidiaries.

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 June 2022 were RM181.969 million, compared with RM168.378 million at 30 June 2021.

| <i>(All figures in RM'000)</i> | As at 30 June 2022 | As at 30 June 2021 |
|--------------------------------|--------------------|--------------------|
| <u>Secured</u> | | |
| Short Term | - | - |
| Long Term | - | - |
| <u>Unsecured</u> | | |
| Short Term | 181,969 * | 168,378 ** |
| Long Term | - | - |
| Total | 181,969 | 168,378 |

* Amounts drawdown as at 30 June 2022 comprised HKD42.800 million and USD17.759 million from two offshore banks in Labuan, and USD18.000 million from a local bank.

** Amounts drawdown as at 30 June 2021 comprised HKD42.800 million and USD17.410 million from two offshore banks in Labuan, and USD17.630 million from a local bank

There were no debt securities in the financial period ended 30 June 2022.

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FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2022

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 June 2022.

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 June 2022.

B9 Changes in Material Litigation

There was no material litigation pending as at the date of this report.

B10 Dividend

No interim dividend has been declared for the financial period ended 30 June 2022.

B11 Loss per Share

The basic loss per ordinary share for the six (6) months ended 30 June 2022 have been calculated as follows:-

| | 3 months ended | | 6 months ended | |
|--|----------------|-----------|----------------|-----------|
| | 30.6.2022 | 30.6.2021 | 30.6.2022 | 30.6.2021 |
| Loss attributable to shareholders of the Company (<i>RM'000</i>) | (2,016) | (20,102) | (14,958) | (39,674) |
| No. of ordinary shares in issue (<i>'000</i>) | 440,000 | 440,000 | 440,000 | 440,000 |
| Basic Loss Per Share (<i>sen</i>) | (0.46) | (4.57) | (3.40) | (9.02) |

Diluted (Loss)/Earnings per Share

Not applicable.

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2022

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 | | 6 months ended | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 30.6.2022 RM'000 | 30.6.2021 RM'000 | 30.6.2022 RM'000 | 30.6.2021 RM'000 |
| Net loss for the period is arrived at after (charging)/crediting:- | | | | |
| Interest expense | (1,018) | (560) | (1,746) | (1,141) |
| Depreciation | (12,379) | (13,799) | (25,482) | (27,905) |
| Net foreign exchange loss | (85) | (29) | (113) | (59) |
| (Allowance for)/write back of doubtful debts - trade and other receivables | (3) | 1 | (6) | 75 |
| Interest income | 32 | 400 | 146 | 926 |

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 June 2022.

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 2021.

By Order of the Board

Datin Rozina Mohd Amin
Company Secretary


Kuala Lumpur
29 August 2022

Quarterly rpt on consolidated results for the financial period ended 30 Jun 2022

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

| | |
|---|-----------------------|
| Financial Year End | 31 Dec 2022 |
| Quarter | 2 Qtr |
| Quarterly report for the financial period ended | 30 Jun 2022 |
| The figures | have not been audited |

Attachments

 [2nd Qtr 30 June 2022 Results.pdf](#)
1.3 MB

| | |
|-------------------------|-----------------------|
| Default Currency | Other Currency |
|-------------------------|-----------------------|

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 30 Jun 2022

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|---|----------------------|--------------------------------------|----------------------|-------------------------------------|
| | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
| | 30 Jun 2022 | 30 Jun 2021 | 30 Jun 2022 | 30 Jun 2021 |
| | \$\$'000 | \$\$'000 | \$\$'000 | \$\$'000 |
| 1 Revenue | 79,318 | 20,325 | 136,434 | 43,039 |
| 2 Profit/(loss) before tax | -3,268 | -28,861 | -16,702 | -56,187 |
| 3 Profit/(loss) for the period | -2,808 | -23,115 | -18,117 | -46,284 |
| 4 Profit/(loss) attributable to ordinary equity holders of the parent | -2,016 | -20,102 | -14,958 | -39,674 |
| 5 Basic earnings/(loss) per share (Subunit) | -0.46 | -4.57 | -3.40 | -9.02 |
| 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 (\$\$) | 1.8300 | 1.8600 |

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 Aug 2022 |
| Category | Financial Results |
| Reference Number | FRA-29082022-00028 |