

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, 31 May 2021

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)

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 FIRST QUARTER ENDED 31 MARCH 2021

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	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	22,714	88,469	22,714	88,469
Operating loss	(28,316)	(17)	(28,316)	(17)
Interest expense	(581)	(1,255)	(581)	(1,255)
Interest income	526	2,278	526	2,278
Share of results of associated companies	1,045	1,521	1,045	1,521
(Loss)/Profit before tax	(27,326)	2,527	(27,326)	2,527
Tax income/(expense)	4,157	(783)	4,157	(783)
(Loss)/Profit for the period	(23,169)	1,744	(23,169)	1,744
<u>Attributable to:</u>				
Shareholders of the Company	(19,572)	2,031	(19,572)	2,031
Non-controlling interests	(3,597)	(287)	(3,597)	(287)
	(23,169)	1,744	(23,169)	1,744
Basic (Loss)/Earnings per Ordinary Share (sen)	(4.45)	0.46	(4.45)	0.46
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 2020)

NA - not applicable

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		3 months ended	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period	(23,169)	1,744	(23,169)	1,744
<u>Other comprehensive (expense)/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	1,251	2,436	1,251	2,436
Total comprehensive (expense)/income for the period	(21,918)	4,180	(21,918)	4,180
<u>Attributable to:</u>				
Shareholders of the Company	(18,321)	4,467	(18,321)	4,467
Non-controlling interests	(3,597)	(287)	(3,597)	(287)
	(21,918)	4,180	(21,918)	4,180

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020)

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

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(Incorporated in Malaysia)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.3.2021 RM'000	As at 31.12.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	601,330	614,071
Right-of-use assets	17,146	17,274
Investment properties	287,700	287,700
Interests in associates	205,750	198,185
Property development expenditure	12,286	12,286
Deferred tax assets	43,060	38,315
	<u>1,167,272</u>	<u>1,167,831</u>
Current assets		
Inventories	3,011	3,229
Trade and other receivables, prepayments and deposits	24,163	23,119
Tax recoverable	4,322	4,825
Short-term fund placements	79,582	116,674
Cash and bank balances	12,331	13,056
	<u>123,409</u>	<u>160,903</u>
Total assets	<u>1,290,681</u>	<u>1,328,734</u>
EQUITY		
Capital and reserves		
Share capital	544,501	544,501
Reserves	342,965	361,286
Total equity attributable to shareholders of the Company	<u>887,466</u>	<u>905,787</u>
Non-controlling interests	124,125	127,722
Total equity	<u>1,011,591</u>	<u>1,033,509</u>
LIABILITIES		
Non-current liabilities		
Retirement benefits	25,015	24,612
Lease liabilities	487	396
Deferred tax liabilities	12,896	13,198
	<u>38,398</u>	<u>38,206</u>
Current liabilities		
Trade and other payables and accruals	47,487	68,570
Provision	15,340	14,968
Contract liabilities	8,986	10,302
Lease liabilities	734	920
Short-term borrowings	167,835	161,998
Current tax liabilities	310	261
	<u>240,692</u>	<u>257,019</u>
Total liabilities	<u>279,090</u>	<u>295,225</u>
Total equity and liabilities	<u>1,290,681</u>	<u>1,328,734</u>
Net Assets per Ordinary Share (RM)	2.02	2.06
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 2020)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 3 months ended 31 March 2021

<i>All figures in RM'000</i>	<u>Attributable to Shareholders of the Company</u>			Total equity attributable to		
	Share capital	Exchange Translation Reserve	Retained earnings	shareholders of the Company	Non-controlling interests	Total equity
	← Non-distributable →		← Distributable →			
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
Balance at 1 January 2021	544,501	36,081	325,205	905,787	127,722	1,033,509
Net loss for the period	-	-	(19,572)	(19,572)	(3,597)	(23,169)
Exchange differences on translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	1,251	-	1,251	-	1,251
Total comprehensive income/(expense) for the period	-	1,251	(19,572)	(18,321)	(3,597)	(21,918)
Balance at 31 March 2021	544,501	37,332	305,633	887,466	124,125	1,011,591

(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 2020)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the 3 months ended 31 March 2021

	31.3.2021	31.3.2020
	RM'000	RM'000
(Loss)/Profit before tax	(27,326)	2,527
Adjustments for non-cash flow:-		
Non-cash items	13,681	14,211
Non-operating items	55	(1,023)
Operating (loss)/profit before changes in working capital	(13,590)	15,715
Changes in working capital		
Net change in current assets	(752)	14,029
Net change in current liabilities	(22,027)	(35,419)
Cash used in operating activities	(36,369)	(5,675)
Income taxes paid	(338)	(3,707)
Retirement benefits paid	(302)	(249)
Net cash outflow from operating activities	(37,009)	(9,631)
Investing activities		
Interest income received	526	2,278
Purchase of property, plant and equipment	(1,073)	(5,597)
Net cash outflow from investing activities	(547)	(3,319)
Financing activities		
Drawdown of borrowings	568	1,214
Interest element of lease rentals paid	(16)	(16)
Repayment of lease liabilities	(248)	(241)
Interest expense paid	(565)	(1,239)
Net cash outflow from financing activities	(261)	(282)
Net decrease in cash & cash equivalents	(37,817)	(13,232)
Cash & cash equivalents at beginning of the year	129,730	276,073
Cash & cash equivalents at end of financial period	91,913	262,841

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2021

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 2020. 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 2020, except for the adoption of amendments to Malaysian Financial Reporting Standards (“MFRS”) that are relevant to its operations and effective for the financial period beginning 1 January 2021, which are set out below.

Amendments to MFRS 7	Financial Instruments: Disclosures – <i>Interest Rate Benchmark Reform (Phase 2)</i>
Amendments to MFRS 9	Financial Instruments – <i>Interest Rate Benchmark Reform (Phase 2)</i>
Amendments to MFRS 16	Leases – <i>Covid 19-Related Rent Concessions and Interest Rate Benchmark Reform (Phase 2)</i>
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement – <i>Interest Rate Benchmark Reform (Phase 2)</i>

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

Amendments not yet Effective

A number of other amendments to MFRS have been issued and are relevant to the Group, effective in future years, which are not expected to significantly impact the Group’s financial statements. The Group will adopt these amendments to MFRS from their effective dates as set out below.

	Effective for annual periods beginning on or after	
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
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	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 date 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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FOR THE FIRST QUARTER ENDED 31 MARCH 2021

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 31 March 2021 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Total
Major Goods/Service Lines				
Revenue from rooms	7,485	-	-	7,485
Food and beverage sales	8,195	-	-	8,195
Rendering of ancillary services	890	-	-	890
Golf operations	455	-	-	455
Property rentals	-	5,425	-	5,425
Laundry services	-	-	264	264
Total revenue	17,025	5,425	264	22,714

For the period ended 31 March 2020 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Total
Major Goods/Service Lines				
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

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 2021.

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 2021 except for the ongoing impacts of the Covid-19 pandemic on the Group's business operations and financial results as disclosed in notes B1 and B2.

Group shareholders' equity decreased by RM18.321 million to RM887.466 million at 31 March 2021. The decrease was mainly attributable to the losses incurred in the first three months ended 31 March 2021, partly offset by foreign exchange translation gains. Consequently, the net asset value per share of the Group declined to RM2.02 at 31 March 2021 from RM2.06 at the previous year-end.

At 31 March 2021, Group total current liabilities amounted to RM240.692 million. This was higher than the Group's total current assets of RM123.409 million as at 31 March 2021 largely due to a deterioration in cash reserves.

In the first quarter ended 31 March 2021, the Group's cash reserves were used to fund the working capital requirements of its hotel businesses reflecting the continued impact of Covid-19 on their trading performances and cash generation during the period, as well as to fund payments relating to the organisational restructuring exercise implemented across the Group hotels to streamline labour costs.

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FOR THE FIRST QUARTER ENDED 31 MARCH 2021

NOTES PURSUANT TO MFRS 134

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

The unprecedented disruptions from the global Covid 19 pandemic will continue to have a negative impact on the operating performances of the Group's hotels and resorts, and there remains significant uncertainty over the timing, extent and pace of a market recovery, given the evolving Covid-19 situation.

In light of the challenging outlook caused by Covid-19, the Group has considered the ongoing effects of the pandemic on its future performance, cash flows and liquidity. The Group's projected cash flows were stress tested against a range of plausible downside scenarios including the risk of further setbacks to recovery, taking into account the overall financial position and principal risks of the Group. Having reviewed the detailed outcome of these assessments and after making appropriate enquiries, the Directors have a reasonable expectation that the Group will have sufficient resources to meet its operating cash requirements and financial obligations, and to continue in operational existence over a period of at least 12 months from 31 March 2021.

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 2021.

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 2021.

A7 Dividends Paid

There was no dividend paid during the financial period ended 31 March 2021.

A8 Segmental Reporting

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

For the period ended 31 March 2021 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment Revenue					
Revenue from external customers	17,025	5,425	264	-	22,714
Inter-segment revenue	-	587	112	(699)	-
Total revenue	17,025	6,012	376	(699)	22,714
Segment Results					
Operating (loss)/profit	(26,961)	3,542	(1,371)	(3,526)	(28,316)
Interest expense	(1,201)	(55)	(574)	1,249	(581)
Interest income	1,317	70	20	(881)	526
Share of results of associated companies	-	1,045	-	-	1,045
(Loss)/profit before tax	(26,845)	4,602	(1,925)	(3,158)	(27,326)

As at 31 March 2021 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets	920,902	353,725	7,124	(196,820)	1,084,931
Interest in associates	-	205,750	-	-	205,750
Total assets	920,902	559,475	7,124	(196,820)	1,290,681

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FOR THE FIRST QUARTER ENDED 31 MARCH 2021

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 31 March 2021 and the date of this report that would materially affect the results of the Group for the financial period ended 31 March 2021.

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 2021.

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 2020 to the date of this report.

A12 Capital Commitments

Capital commitments for property, plant and equipment and investment properties not provided for as at 31 March 2021 are as follows:-

	RM'000
Authorised and contracted for	2,189
Authorised but not contracted for	6,783
	8,972

A13 Related Party Transactions

3 months ended 31.3.2021
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.	870
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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.	521
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NOTES REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B

B1 Review of Group Results 1st Quarter 2021 vs 1st Quarter 2020

Amid the ongoing Covid-19 disruptions, Group revenue in the first three months ended 31 March 2021 declined by 74% to RM22.714 million from RM88.469 million for the same quarter in 2020. Correspondingly, the Group recorded a net loss attributable to shareholders of RM19.572 million for the period, compared with a net profit of RM2.031 million in 2020.

The Group's financial performance in the first quarter 2021 reflected the sharply lower operating results from across its hotel businesses due to the continuing effects of the Covid-19 pandemic. In the period, the Group's hotels and resorts faced very difficult operating conditions as extensive border restrictions, travel bans and containment measures taken by governments globally in an effort to control the spread of the virus continued to place intense pressure on both revenue and occupancy levels.

Against this background, Shangri-La Hotel Kuala Lumpur saw a 76% drop in revenue from the first quarter 2020 to RM5.889 million, following substantial reductions in both room and food and beverage business. For the quarter, the hotel turned in a higher pre-tax loss of RM9.480 million, as compared to RM2.734 million in 2020. The hotel's occupancy slipped to 7% from 35% the previous year.

Occupancy at Rasa Ria Resort deteriorated to 13% from 39% in the first three months of 2020, reflecting a steep slump in visitor arrivals from its key markets. Overall revenue for the resort fell by 81% over the first quarter 2020 to RM3.869 million, and consequently the resort closed the quarter with a pre-tax loss of RM7.733 million, versus a profit of RM1.547 million the year before.

The results from Rasa Sayang Resort were also negatively affected by weaker leisure business, with revenue falling by 83% to RM2.956 million, in response to a drop in occupancy to 10% from 60% in the first three-month period of 2020. The resort made a pre-tax loss of RM4.399 million, compared with a profit of RM2.139 million in the first quarter last year.

Likewise, due to depressed levels of leisure demand, occupancy at Golden Sands Resort decreased to 17% from 58% in the first three months of 2020, leading to a 76% decline in revenue to RM2.500 million. As a result, the resort registered a pre-tax loss of RM3.071 million for the first quarter 2021, as against a profit of RM0.961 million in the same period of 2020.

At Hotel Jen Penang, revenue was down by 82% to RM1.320 million, in line with a fall in occupancy from 53% in the first quarter 2020 to 12%. During the first three months of 2021, the hotel incurred an increased pre-tax loss of RM3.582 million, compared with RM1.551 million in the 2020 first quarter.

The combined rental revenue for the Group's investment properties in Kuala Lumpur dropped by 10% to RM6.012 million in the first three months of 2020, and their combined pre-tax profit fell to RM3.557 million from RM4.061 million in the prior year.

The Group's share of profits from its associates in Myanmar for the first quarter ended 31 March 2021 was RM1.045 million, versus RM1.521 million in the corresponding period in 2020. For the first quarter 2021, the Group's share of losses of RM1.673 million in Traders Yangon Company Ltd ("TYCL") in which it holds a 23.5% equity interest was not recognised in accordance with the requirements of MFRS 128. TYCL owns and operates Sule Shangri-La Yangon, the Group's associate hotel.

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FOR THE FIRST QUARTER ENDED 31 MARCH 2021

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

B2 Comparison of Group Results 1st Quarter 2021 vs 4th Quarter 2020

Group revenue for the first quarter to 31 March 2021 fell by 24% to RM22.714 million from RM29.963 million in the fourth quarter ended 31 December 2020, primarily driven by a fall in revenue contributions from the Group's resorts in Penang and from Shangri-La Hotel Kuala Lumpur.

However, the Group posted a lower net loss attributable to shareholders of RM19.572 million for the first quarter 2021, as against the net loss of RM54.433 million in the fourth quarter 2020. This was largely because the net loss in the 2020 fourth quarter included a one-off charge for the organisational restructuring implemented across the Group's hotels as well as a provision for the payment of backwages to the unionised rank and file employees of the Group's hotels relating to the Minimum Wage Litigation which was taken up during the period. Coupled with this, the Group's results in the fourth quarter 2020 were further impacted by its share of losses from associates of RM8.569 million which had included fair value losses recognised at year-end 2020.

In the first three months of 2021, the Group's hotel businesses as a whole experienced a sharp deterioration in demand for both rooms and food and beverage business from the domestic market as travel restrictions, public health and safety measures were tightened in response to renewed waves of Covid-19 cases. Consequently, all the Group's hotels and resorts in Kuala Lumpur, Penang and Sabah operated at low levels of occupancy and generated further losses in the first quarter 2021.

The combined rental revenue from the Group's investment properties in Kuala Lumpur for the first three months to 31 March 2021 was RM6.012 million, broadly similar to the fourth quarter 2020.

B3 Prospects for 2021

The near-term operating environment for the Group's hotel businesses remains extremely challenging and volatile, given the continuing and significant uncertainty about the evolution of the Covid-19 pandemic including the threat of more contagious strains of the virus.

The prolonged closure of many borders, restrictions on travel and the re-instatement of stringent containment measures applied by governments around the world to curb the resurgence of Covid-19 infections will continue to cause material operational and financial disruptions to the Group's hotel operations. In these testing times, the Group hotels and resorts remain focused on driving further cost savings through additional cost mitigating measures.

Occupancy rates for the Group's investment properties in Kuala Lumpur are expected to soften through 2021 amidst subdued levels of demand in a weak economic environment.

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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		3 months ended	
	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2021 RM'000	31.3.2020 RM'000
Current taxation				
- Company and subsidiaries	947	1,588	947	1,588
Deferred taxation	(6,316)	(805)	(6,316)	(805)
Overprovision in respect of prior year				
- Company and subsidiaries	1,212	-	1,212	-
	(4,157)	783	(4,157)	783

For the three (3) months to 31 March 2021, the Group recorded a tax income of RM4.157 million due to the recognition of deferred tax assets on losses arising in the period. The effective tax rate of the Group for the first quarter to 31 March 2021 was 15%, versus the statutory tax rate of 24%. This rate was lower mainly as a result of an overprovision of deferred tax assets in a subsidiary hotel in respect of the prior year as well as the non-recognition of deferred tax on 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 31 March 2021 were RM167.835 million, compared with RM171.444 million at 31 March 2020.

<i>(All figures in RM'000)</i>	As at 31 March 2021	As at 31 March 2020
<u>Secured</u>		
Short Term	-	-
Long Term	-	-
<u>Unsecured</u>		
Short Term	167,835 *	171,444 **
Long Term	-	-
Total	167,835	171,444

* Amounts drawdown as at 31 March 2021 comprised HKD42.800 million and USD17.410 million from two offshore banks in Labuan, and USD17.500 million from a local bank.

** 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.

There were no debt securities in the financial period ended 31 March 2021.

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FOR THE FIRST QUARTER ENDED 31 MARCH 2021

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 2021.

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 2021.

B9 Changes in Material Litigation

The Group's hotels, namely Rasa Sayang Resort, Shangri-La Hotel Kuala Lumpur, Hotel Jen Penang and Golden Sands Resort are involved in litigation proceedings at various stages in the courts with the National Union of Hotel, Bar and Restaurant Workers Peninsular Malaysia ("Union"), arising from minimum wage orders, the first of which came into effect for the hotel industry on 1 October 2013 ("MW Litigation"). The crux of the MW Litigation concerns the Top-Up Structure implemented by the Group's hotels, whereby part of the service charge is converted to form part of the minimum wage, which is being disputed by the Union.

On 24 March 2021, the Federal Court in respect of the Crystal Crown Hotel Appeal delivered its landmark decision determining that as a matter of law, service charge cannot be utilised to top-up the minimum wage. In the circumstances, the decision of the apex court is expected to have an unfavourable impact on the Group's on-going MW Litigation in the various courts.

B10 Dividend

No interim dividend has been declared for the financial period ended 31 March 2021.

B11 (Loss)/Earnings per Share

The basic (loss)/earnings per ordinary share for the three (3) months ended 31 March 2021 have been calculated as follows:-

	3 months ended		3 months ended	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
(Loss)/Profit attributable to shareholders of the Company (<i>RM'000</i>)	(19,572)	2,031	(19,572)	2,031
No. of ordinary shares in issue (<i>'000</i>)	440,000	440,000	440,000	440,000
Basic (Loss)/Earnings Per Share (<i>sen</i>)	(4.45)	0.46	(4.45)	0.46

Diluted (Loss)/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	
	31.3.2021 RM'000	31.3.2020 RM'000	31.3.2021 RM'000	31.3.2020 RM'000
Net (loss)/profit for the period is arrived at after (charging)/crediting:-				
Interest expense	(581)	(1,255)	(581)	(1,255)
Depreciation	(14,106)	(15,085)	(14,106)	(15,085)
Net foreign exchange loss	(30)	(188)	(30)	(188)
Write back of allowance for doubtful debts - trade and other receivables	74	17	74	17
Interest income	526	2,278	526	2,278

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 2021.

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 2020.

By Order of the Board

Datin Rozina Mohd Amin
Company Secretary


Kuala Lumpur
31 May 2021

Quarterly rpt on consolidated results for the financial period ended 31 Mar 2021

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Financial Year End	31 Dec 2021
Quarter	1 Qtr
Quarterly report for the financial period ended	31 Mar 2021
The figures	have not been audited

Attachments

 [1st Qtr 31 March 2021 Results.pdf](#)
1.4 MB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 Mar 2021

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	22,714	88,469	22,714	88,469
2 Profit/(loss) before tax	-27,326	2,527	-27,326	2,527
3 Profit/(loss) for the period	-23,169	1,744	-23,169	1,744
4 Profit/(loss) attributable to ordinary equity holders of the parent	-19,572	2,031	-19,572	2,031
5 Basic earnings/(loss) per share (Subunit)	-4.45	0.46	-4.45	0.46
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 (\$\$)	2.0200	2.0600

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	31 May 2021
Category	Financial Results
Reference Number	FRA-31052021-00013