

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, 30 November 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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2021

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		9 months ended	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	13,347	43,713	56,386	142,129
Operating loss	(32,534)	(25,774)	(90,621)	(70,132)
Interest expense	(596)	(642)	(1,737)	(2,953)
Interest income	271	952	1,197	4,943
Share of results of associated companies	349	1,430	2,464	3,640
Loss before tax	(32,510)	(24,034)	(88,697)	(64,502)
Tax income	6,881	5,932	16,784	15,592
Loss for the period	(25,629)	(18,102)	(71,913)	(48,910)
<u>Attributable to:</u>				
Shareholders of the Company	(22,433)	(15,322)	(62,107)	(42,375)
Non-controlling interests	(3,196)	(2,780)	(9,806)	(6,535)
	(25,629)	(18,102)	(71,913)	(48,910)
Basic Loss per Ordinary Share (sen)	(5.10)	(3.48)	(14.12)	(9.63)
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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2021**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		9 months ended	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
	RM'000	RM'000	RM'000	RM'000
Loss for the period	(25,629)	(18,102)	(71,913)	(48,910)
<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	321	(1,459)	1,576	607
Total comprehensive expense for the period	(25,308)	(19,561)	(70,337)	(48,303)
<u>Attributable to:</u>				
Shareholders of the Company	(22,112)	(16,781)	(60,531)	(41,768)
Non-controlling interests	(3,196)	(2,780)	(9,806)	(6,535)
	(25,308)	(19,561)	(70,337)	(48,303)

(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)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.9.2021 RM'000	As at 31.12.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	576,745	614,071
Right-of-use assets	16,871	17,274
Investment properties	287,700	287,700
Interests in associates	208,875	198,185
Property development expenditure	12,286	12,286
Deferred tax assets	57,203	38,315
	<u>1,159,680</u>	<u>1,167,831</u>
Current assets		
Inventories	2,765	3,229
Trade and other receivables, prepayments and deposits	17,411	23,119
Tax recoverable	3,110	4,825
Short-term fund placements	33,393	116,674
Cash and bank balances	16,362	13,056
	<u>73,041</u>	<u>160,903</u>
Total assets	<u>1,232,721</u>	<u>1,328,734</u>
EQUITY		
Capital and reserves		
Share capital	544,501	544,501
Reserves	300,755	361,286
Total equity attributable to shareholders of the Company	<u>845,256</u>	<u>905,787</u>
Non-controlling interests	117,916	127,722
Total equity	<u>963,172</u>	<u>1,033,509</u>
LIABILITIES		
Non-current liabilities		
Retirement benefits	27,041	24,612
Lease liabilities	491	396
Deferred tax liabilities	12,183	13,198
	<u>39,715</u>	<u>38,206</u>
Current liabilities		
Trade and other payables and accruals	42,238	68,570
Provision	1,926	14,968
Contract liabilities	9,607	10,302
Lease liabilities	549	920
Short-term borrowings	175,212	161,998
Current tax liabilities	302	261
	<u>229,834</u>	<u>257,019</u>
Total liabilities	<u>269,549</u>	<u>295,225</u>
Total equity and liabilities	<u>1,232,721</u>	<u>1,328,734</u>
Net Assets per Ordinary Share (RM)	1.92	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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 9 months ended 30 September 2021

<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 2020	544,501	36,662	474,813	1,055,976	139,604	1,195,580
Net loss for the period	-	-	(42,375)	(42,375)	(6,535)	(48,910)
Exchange differences on translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	607	-	607	-	607
Total comprehensive income/(expense) for the period	-	607	(42,375)	(41,768)	(6,535)	(48,303)
Dividend:- - Second interim dividend for the financial year ended 31.12.2019 paid on 16.7.2020	-	-	(52,800)	(52,800)	-	(52,800)
Balance at 30 September 2020	544,501	37,269	379,638	961,408	133,069	1,094,477
Balance at 1 January 2021	544,501	36,081	325,205	905,787	127,722	1,033,509
Net loss for the period	-	-	(62,107)	(62,107)	(9,806)	(71,913)
Exchange differences on translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	-	1,576	-	1,576	-	1,576
Total comprehensive income/(expense) for the period	-	1,576	(62,107)	(60,531)	(9,806)	(70,337)
Balance at 30 September 2021	544,501	37,657	263,098	845,256	117,916	963,172

(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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2021

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the 9 months ended 30 September 2021

	30.9.2021	30.9.2020
	RM'000	RM'000
Loss before tax	(88,697)	(64,502)
Adjustments for non-cash flow:-		
Non-cash items	42,523	43,283
Non-operating items	540	(1,990)
Operating loss before changes in working capital	(45,634)	(23,209)
Changes in working capital		
Net change in current assets	6,269	13,804
Net change in current liabilities	(39,984)	(44,477)
Cash used in operating activities	(79,349)	(53,882)
Income taxes paid	(1,363)	(5,576)
Retirement benefits paid	(1,260)	(644)
Net cash outflow from operating activities	(81,972)	(60,102)
Investing activities		
Interest income received	1,197	4,943
Purchase of property, plant and equipment	(3,362)	(12,584)
Net cash outflow from investing activities	(2,165)	(7,641)
Financing activities		
Dividends paid by the Company	-	(52,800)
Dividend paid to a non-controlling shareholder of a subsidiary	-	(500)
Drawdown of borrowings	80,095	2,961
Repayment of borrowings	(73,531)	-
Payments of lease obligations	(707)	(807)
Interest expense paid	(1,695)	(2,894)
Net cash inflow/(outflow) from financing activities	4,162	(54,040)
Net decrease in cash & cash equivalents	(79,975)	(121,783)
Cash & cash equivalents at beginning of the year	129,730	276,073
Cash & cash equivalents at end of financial period	49,755	154,290

(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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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
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 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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 30 September 2021 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Total
<u>Major Goods/Service Lines</u>				
Revenue from rooms	15,451	-	-	15,451
Food and beverage sales	21,264	-	-	21,264
Rendering of ancillary services	2,179	-	-	2,179
Golf operations	1,358	-	-	1,358
Property rentals	-	15,629	-	15,629
Laundry services	-	-	505	505
Total revenue	40,252	15,629	505	56,386

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

A3 Seasonal or Cyclical Factors

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

At 30 September 2021, the Group's shareholders' equity fell by 7% or RM60.531 million to RM845.256 million, compared with RM905.787 million as at 31 December 2020, due to the net loss of RM62.107 million for the first nine months ended 30 September 2021, partially offset by foreign exchange translation gains. As a result, the Group's net asset value per share dropped in tandem to RM1.92 from RM2.06 at 31 December 2020.

At 30 September 2021, the Group's current liabilities amounted to RM229.834 million, which was higher than its current assets of RM73.041 million, mainly attributable to a decline in the Group's cash reserves. During the first nine months of 2021, the Group's cash reserves were largely used to fund working capital requirements of its hotel businesses due to the continued impact of Covid-19 on their operating activities and to fund payments relating to the organisational restructuring exercise carried out by the Group hotels.

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FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2021

NOTES PURSUANT TO MFRS 134

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

As a result of the uncertainty surrounding the Covid-19 situation and the continued limited visibility on the pace and scale of a market recovery, 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 adequate resources to meet its operating cash requirements and financial obligations, and to continue in operational existence for a period of at least 12 months from 30 September 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 third quarter and financial period ended 30 September 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 30 September 2021.

A7 Dividends Paid

No dividend was paid during the financial period ended 30 September 2021.

A8 Segmental Reporting

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

For the period ended 30 September 2021 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
<u>Segment Revenue</u>					
Revenue from external customers	40,252	15,629	505	-	56,386
Inter-segment revenue	-	1,762	226	(1,988)	-
Total revenue	40,252	17,391	731	(1,988)	56,386
<u>Segment Results</u>					
Operating (loss)/profit	(91,867)	10,194	(2,605)	(6,343)	(90,621)
Interest expense	(3,916)	(168)	(1,726)	4,073	(1,737)
Interest income	3,877	220	58	(2,958)	1,197
Share of results of associated companies	-	2,464	-	-	2,464
(Loss)/profit before tax	(91,906)	12,710	(4,273)	(5,228)	(88,697)

As at 30 September 2021 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets	887,130	354,943	6,377	(224,604)	1,023,846
Interest in associates	-	208,875	-	-	208,875
Total assets	887,130	563,818	6,377	(224,604)	1,232,721

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 30 September 2021 and the date of this report that would materially affect the results of the Group for the financial period ended 30 September 2021.

A10 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 30 September 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 30 September 2021 are as follows:-

	RM'000
Authorised and contracted for	644
Authorised but not contracted for	3,619
	4,263

A13 Related Party Transactions

9 months ended 30.9.2021
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.	2,138
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Transactions with a major shareholder of the Company

Office rental income from Kuok Brothers Sdn Berhad, PPB Group Berhad and Chemquest Sdn Bhd.	1,564
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NOTES REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B

B1 Review of Group Results Nine Months 2021 vs Nine Months 2020

In the nine months to 30 September 2021, Group revenue dropped by 60% to RM56.386 million from RM142.129 million for the same period in 2020 when the impact of Covid-19 was only severely felt from March 2020 onwards. Correspondingly, the Group posted an increased net loss attributable to shareholders of RM62.107 million for the first nine months of 2021, compared with a net loss of RM42.375 million the previous year.

The financial results of the Group reflected the sharply lower performances by its hotel businesses due to Covid-19 and the economic effects of the measures taken by governments to control the pandemic. During the nine months, business levels across the Group's hotels and resorts were adversely impacted by ongoing government-imposed restrictions on both international and domestic travel, as well as by a further tightening of pandemic-related business restrictions and containment measures nationwide over an extended period of time amid resurging waves of Covid-19.

Consequently, revenue from Shangri-La Hotel Kuala Lumpur fell by 54% from the nine months 2020 to RM16.553 million on the back of significant reductions in rooms and food and beverage business. For the period, the hotel registered a pre-tax loss of RM29.904 million, as compared to a loss of RM28.775 million in the first nine months of 2020. The hotel's occupancy was 5%, versus 15% in 2020.

The performance of Rasa Ria Resort was affected by a slump in visitor arrivals, which reduced occupancy to 8% from 19% in the nine months 2020. This contributed to a 69% decline in revenue to RM8.504 million and as a result, the resort saw its pre-tax loss widen from RM17.762 million in the first nine months of last year to RM23.598 million.

Overall revenue at Rasa Sayang Resort was down by 80% to RM5.708 million in response to a decline in occupancy to 7% from 36% in the nine-month period of 2020, reflecting a marked downturn in leisure demand. In tandem, the resort incurred a pre-tax loss of RM15.281 million, as against a loss of RM7.277 million the year before.

Results from Golden Sands Resort were also negatively impacted by a fall in leisure arrivals, with occupancy decreasing from 38% in the nine months 2020 to 10%, which led to a 74% drop in revenue to RM4.839 million. Accordingly, the resort made a higher pre-tax loss of RM10.727 million, compared with a loss of RM5.346 million in 2020.

At Hotel Jen Penang, revenue contracted by 71% during the first nine months of 2021 to RM3.182 million, following a reduction in occupancy to 9% from 30% in the same period last year. The hotel made a pre-tax loss of RM10.955 million, versus a loss of RM9.497 million in the nine months 2020.

The Group's investment properties in Kuala Lumpur achieved a decreased combined rental revenue of RM17.391 million for the nine months 2021, 6% below that of 2020, and their pre-tax profit weakened to RM10.246 million from RM11.154 million in the prior year.

For the nine months ended 30 September 2021, the Group's share of profits from its associates in Myanmar declined to RM2.464 million, compared with RM3.640 million in the same period of 2020. Pursuant to the requirements of MFRS 128, the Group's unrecognised share of losses for the nine-month period to 30 September 2021 in Traders Yangon Company Ltd ("TYCL") in which it holds a 23.5% stake amounted to RM4.673 million. TYCL owns and operates Sule Shangri-La Yangon, the Group's associate hotel.

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FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2021

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

B2 Comparison of Group Results 3rd Quarter 2021 vs 2nd Quarter 2021

Group revenue for the third quarter to 30 September 2021 fell by 34% to RM13.347 million from RM20.325 million in the second quarter ended 30 June 2021, mainly driven by lower revenue contributions from Shangri-La Hotel Kuala Lumpur and Rasa Ria Resort. The Group's net loss attributable to shareholders for the third quarter 2021 was RM22.433 million, higher than the net loss of RM20.102 million reported in the second quarter 2021.

Overall, the Group's hotel operations experienced a sharp slowdown in market activity in the third quarter due to the imposition of tighter domestic Covid-19 containment and public health measures as well as interstate border control measures which remained in place throughout the period to curtail the spread of the virus. These restrictive measures drastically reduced demand from the domestic market for both rooms and food and beverage services. In consequence, the Group's hotel businesses operated at significantly reduced capacity and sustained further losses in the period.

Amid depressed market conditions, occupancy levels at Shangri-La Hotel Kuala Lumpur and Rasa Ria Resort for the three-month period to 30 September 2021 dropped to 3% and 2% respectively. Equally, Rasa Sayang Resort, Golden Sands Resort and Hotel Jen Penang also saw low single-digit occupancy levels during the third quarter 2021.

The combined rental revenue from the Group's investment properties in Kuala Lumpur for the third quarter 2021 eased by 7% to RM5.482 million from RM5.897 million in the second quarter 2021.

B3 Prospects for 2021

The outlook for the Group's hotel businesses for the remainder of the year continues to be very challenging, given the uncertainties around the Covid-19 situation.

Although vaccine rollouts gather pace and economies gradually begin to reopen, overall business levels across the Group's hotel operations in the near term will continue to be weighed down by the ongoing constraints on global travel with many border closures remaining effectively in place and by renewed government actions to contain recurring outbreaks of Covid-19. Reflecting the continued market disruption of Covid-19, the Group will record further significant losses for the full year 2021.

The operating performances of the Group's investment properties in Kuala Lumpur will remain subdued through 2021 as a result of weakening demand in the current uncertain economic climate.

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

B4 Variance on Profit Forecast/Profit Guarantee

Not applicable.

B5 Taxation

	3 months ended		9 months ended	
	30.9.2021 RM'000	30.9.2020 RM'000	30.9.2021 RM'000	30.9.2020 RM'000
Current taxation				
- Company and subsidiaries	1,026	1,053	3,102	2,845
Deferred taxation	(7,918)	(6,985)	(21,172)	(18,460)
Overprovision in respect of prior year				
- Company and subsidiaries	11	-	1,286	23
	(6,881)	(5,932)	(16,784)	(15,592)

The effective tax rate of the Group for the first nine months ended 30 September 2021 was 19%, as compared to the statutory tax rate of 24%. The lower effective tax rate for the period primarily reflected an overprovision of deferred tax assets in a subsidiary hotel relating to the prior year and the non-recognition of deferred tax assets on losses arising in the period 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 September 2021 were RM175.212 million, compared with RM166.978 million at 30 September 2020.

<i>(All figures in RM'000)</i>	As at 30 September 2021	As at 30 September 2020
Secured		
Short Term	-	-
Long Term	-	-
	-	-
Unsecured		
Short Term	175,212 *	166,978 **
Long Term	-	-
Total	175,212	166,978

* Amounts drawdown as at 30 September 2021 comprised HKD42.800 million and USD17.429 million from two offshore banks in Labuan and USD17.720 million from a local bank as well as a drawdown of RM5.000 million from a local bank.

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

There were no debt securities in the financial period ended 30 September 2021.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 30 September 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 30 September 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 were 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 ("MWOs"), the first of which came into effect on 1 October 2013 for the hotel industry ("MW Litigation").

The crux of the MW Litigation concerned the Top-Up Structure implemented by the Group's hotels, whereby part of the service charge was converted to form part of the minimum wage, which was disputed by the Union.

On 24 March 2021, the Federal Court in the Crystal Crown Hotel Appeal delivered its landmark decision determining that as a matter of law, hotels are not entitled to utilise employees' service charge to satisfy their statutory obligation to pay the minimum wage and service charge cannot be utilised to top up the minimum wage. The Federal Court emphasised that its ruling was based on interpretation of law and not predicated on facts. The Federal Court also ruled that the minimum wage legislation is a social legislation and therefore, overrides factors such as financial implications on the hotel industry.

As a result of the apex court's pronouncement, the Group concluded that further pursuing the MW Litigation would not yield a favourable outcome.

Accordingly, the Group's hotels withdrew their MW Litigation in the various courts by way of an amicable resolution with the Union for a global settlement for all the Minimum Wage Orders (MWOs 2012, 2016, 2018 and 2020). The Group's hotels duly filed the Notices of Discontinuance in the various courts, the latest of which were filed in July 2021.

Following the withdrawal of the MW Litigation, the Group's hotels made payments of backwages under the various Minimum Wage Orders to the Unionised rank & file employees on 19 August 2021, and thereafter, to eligible former employees.

B10 Dividend

No dividend has been proposed for the financial period ended 30 September 2021.

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2021

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

B11 Loss per Share

The basic loss per ordinary share for the nine (9) months ended 30 September 2021 have been calculated as follows:-

	3 months ended		9 months ended	
	30.9.2021	30.9.2020	30.9.2021	30.9.2020
Loss attributable to shareholders of the Company (RM'000)	(22,433)	(15,322)	(62,107)	(42,375)
No. of ordinary shares in issue ('000)	440,000	440,000	440,000	440,000
Basic Loss Per Share (sen)	(5.10)	(3.48)	(14.12)	(9.63)

Diluted (Loss)/Earnings per Share

Not applicable.

B12 Notes to the Statement of Comprehensive Income

	3 months ended		9 months ended	
	30.9.2021 RM'000	30.9.2020 RM'000	30.9.2021 RM'000	30.9.2020 RM'000
Net (loss)/profit for the period is arrived at after (charging)/crediting:-				
Interest expense	(596)	(642)	(1,737)	(2,953)
Depreciation	(13,541)	(14,986)	(41,446)	(45,023)
Net foreign exchange loss	(39)	(17)	(98)	(260)
Write back of/(allowance for) doubtful debts - trade and other receivables	22	133	97	(14)
Interest income	271	952	1,197	4,943

Other than the above which have been included in the statement of comprehensive income, there were no impairment of assets, gain or loss on disposal of quoted or unquoted investments or properties for the financial period ended 30 September 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
30 November 2021

Quarterly rpt on consolidated results for the financial period ended 30 Sep 2021

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Financial Year End	31 Dec 2021
Quarter	3 Qtr
Quarterly report for the financial period ended	30 Sep 2021
The figures	have not been audited

Attachments

 [3rd Qtr 30 Sep 2021 Results.pdf](#)
1.6 MB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 30 Sep 2021

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Sep 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	13,347	43,713	56,386	142,129
2 Profit/(loss) before tax	-32,510	-24,034	-88,697	-64,502
3 Profit/(loss) for the period	-25,629	-18,102	-71,913	-48,910
4 Profit/(loss) attributable to ordinary equity holders of the parent	-22,433	-15,322	-62,107	-42,375
5 Basic earnings/(loss) per share (Subunit)	-5.10	-3.48	-14.12	-9.63
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 (\$\$)	1.9200	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	30 Nov 2021
Category	Financial Results
Reference Number	FRA-30112021-00025