

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)

PROFIT WARNING

This announcement is made by Shangri-La Asia Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Based on the management information currently available to the Company and an assessment of current market conditions, the Board of Directors of the Company (the “**Board**”) wishes to advise shareholders and investors of that the Group may report a loss for the six months ending 30 June 2020, as compared to a profit attributable to equity shareholders of USD115.1 million for the corresponding period in 2019, due mainly to the severe business disruptions caused by the COVID-19 pandemic to the operations of the Group’s hotel properties. Particularly for the months of March and April 2020, the Group’s effective share of revenue (as described in its 2019 Annual Report) decreased by almost 80% when compared to the Group’s monthly average effective share of revenue for 2019. The operations of the Group’s hotel properties during this period were severely impacted by the effects of travel restrictions, social distancing measures, and governmental actions connected with the COVID-19 pandemic.

As reported in its 2019 Annual Report, the Group was able to lower operating costs in China by approximately 50% in February 2020. For the months of March and April 2020, the Group was able to extend similar cost cutting measures to other regions. In addition, the Group’s employees, management and directors participated in various voluntary cost cutting measures including no pay leave, wage reduction and fee reduction for a period of time. While these measures have helped mitigate some of the impact of the COVID-19 pandemic, the severity of the slowdown in local and global economic activities particularly in the travel and hospitality industries make the timing and degree of any sustainable recovery uncertain. If the COVID-19 pandemic continues to severely impact the Group’s operations in the remainder of this year, the Group may also report a loss in its full year results.

Notwithstanding the above, the overall financial position of the Group remains healthy. As at 30 April 2020, the Group had cash and cash equivalents of USD1.1 billion as well as USD840 million of committed undrawn facilities. As at 31 December 2019, the Group had USD375 million of maturing loans due for repayment or refinancing for 2020, which has been reduced to USD230 million as at 30 April 2020.

The information contained in this announcement is only a preliminary assessment by the Board based on information currently available to it, which has not been reviewed or audited by the Company's auditors. The Group's half year results are subject to changes in market conditions for the period ending 30 June 2020. Therefore, the actual results of the Group for the six months ending 30 June 2020 may significantly differ from the information contained in this announcement. The Group's consolidated results for the half year period ending 30 June 2020 are expected to be published in August 2020.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board of
Shangri-La Asia Limited
SEOW Chow Loong Iain
Company Secretary

Hong Kong, 5 June 2020

As at the date hereof, the directors of the Company are:

Executive director(s)

Ms KUOK Hui Kwong (Chairman)
Mr LIM Beng Chee (Group CEO)

Non-executive director(s)

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

Independent non-executive director(s)

Professor LI Kwok Cheung Arthur
Mr YAP Chee Keong
Mr LI Xiaodong Forrest
Mr ZHUANG Chenchao