

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 May 2023

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

Executive directors

Ms KUOK Hui Kwong (Chairman)

Mr CHUA Chee Wui (Group Chief Financial Officer & Group Chief Investment Officer)

Non-executive director

Mr LIM Beng Chee

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 FIRST QUARTER ENDED 31 MARCH 2023**

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 | |
|--|----------------|-----------------|----------------|-----------------|
| | 31.3.2023 | 31.3.2022 | 31.3.2023 | 31.3.2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 116,308 | 57,116 | 116,308 | 57,116 |
| Operating profit/(loss) | 15,127 | (13,214) | 15,127 | (13,214) |
| Interest expense | (2,824) | (728) | (2,824) | (728) |
| Interest income | 110 | 114 | 110 | 114 |
| Share of results of associated companies | 7 | 394 | 7 | 394 |
| Profit/(loss) before tax | 12,420 | (13,434) | 12,420 | (13,434) |
| Tax expense | (3,488) | (1,875) | (3,488) | (1,875) |
| Profit/(loss) for the period | 8,932 | (15,309) | 8,932 | (15,309) |
| <u>Attributable to:</u> | | | | |
| Shareholders of the Company | 8,270 | (12,942) | 8,270 | (12,942) |
| Non-controlling interests | 662 | (2,367) | 662 | (2,367) |
| | 8,932 | (15,309) | 8,932 | (15,309) |
| Basic Earnings/(Loss) per Ordinary Share (sen) | 1.88 | (2.94) | 1.88 | (2.94) |
| Diluted Earnings/(Loss) 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 2022)

NA - not applicable

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 3 months ended | | 3 months ended | |
|---|----------------|-----------------|----------------|-----------------|
| | 31.3.2023 | 31.3.2022 | 31.3.2023 | 31.3.2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit/(loss) for the period | 8,932 | (15,309) | 8,932 | (15,309) |
| <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 | (77) | 194 | (77) | 194 |
| Total comprehensive income/(expense) for the period | 8,855 | (15,115) | 8,855 | (15,115) |
| Attributable to: | | | | |
| Shareholders of the Company | 8,193 | (12,748) | 8,193 | (12,748) |
| Non-controlling interests | 662 | (2,367) | 662 | (2,367) |
| | 8,855 | (15,115) | 8,855 | (15,115) |

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at 31.3.2023 RM'000 | As at 31.12.2022 RM'000 |
|---|------------------------------|-------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 522,850 | 531,386 |
| Right-of-use assets | 16,885 | 16,450 |
| Investment properties | 287,700 | 287,700 |
| Interests in associates | 190,055 | 189,274 |
| Property development expenditure | 12,286 | 12,286 |
| Deferred tax assets | 56,958 | 59,439 |
| | 1,086,734 | 1,096,535 |
| Current assets | | |
| Inventories | 3,069 | 3,165 |
| Trade and other receivables, prepayments and deposits | 26,134 | 28,238 |
| Tax recoverable | 1,984 | 1,982 |
| Short-term fund placements | 88,064 | 82,448 |
| Cash and bank balances | 25,013 | 27,544 |
| | 144,264 | 143,377 |
| Total assets | 1,230,998 | 1,239,912 |
| EQUITY | | |
| Capital and reserves | | |
| Share capital | 544,501 | 544,501 |
| Reserves | 242,201 | 234,008 |
| Total equity attributable to shareholders of the Company | 786,702 | 778,509 |
| Non-controlling interests | 113,323 | 112,661 |
| Total equity | 900,025 | 891,170 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Retirement benefit obligations | 25,150 | 24,563 |
| Lease liabilities | 678 | 293 |
| Deferred tax liabilities | 12,112 | 12,111 |
| Other non-current liabilities | 3,017 | 6,114 |
| | 40,957 | 43,081 |
| Current liabilities | | |
| Trade and other payables and accruals | 75,809 | 97,217 |
| Provisions | - | 868 |
| Contract liabilities | 12,267 | 11,400 |
| Lease liabilities | 824 | 694 |
| Short-term borrowings | 192,497 | 185,816 |
| Current tax liabilities | 295 | 340 |
| Amount due to an associated company | 8,324 | 9,326 |
| | 290,016 | 305,661 |
| Total liabilities | 330,973 | 348,742 |
| Total equity and liabilities | 1,230,998 | 1,239,912 |
| Net Assets per Ordinary Share (RM) | 1.79 | 1.77 |
| 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 2022)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 3 months ended 31 March 2023

| <i>All figures in RM'000</i> | <u>Attributable to Shareholders of the Company</u> | | | <u>Total equity attributable to</u> | | |
|---|--|------------------------------|-------------------|-------------------------------------|---------------------------|--------------|
| | Share capital | Exchange Translation Reserve | Retained earnings | shareholders of the Company | Non-controlling interests | Total equity |
| | ← Non-distributable → | | ← Distributable → | | | |
| Balance at 1 January 2022 | 544,501 | 37,299 | 236,457 | 818,257 | 116,688 | 934,945 |
| Net loss for the period | - | - | (12,942) | (12,942) | (2,367) | (15,309) |
| Exchange differences on translation of foreign operations and foreign currency loans forming part of net investment in foreign operations | - | 194 | - | 194 | - | 194 |
| Total comprehensive income/(expense) for the period | - | 194 | (12,942) | (12,748) | (2,367) | (15,115) |
| Balance at 31 March 2022 | 544,501 | 37,493 | 223,515 | 805,509 | 114,321 | 919,830 |
| Balance at 1 January 2023 | 544,501 | 38,261 | 195,747 | 778,509 | 112,661 | 891,170 |
| Net profit for the period | - | - | 8,270 | 8,270 | 662 | 8,932 |
| Exchange differences on translation of foreign operations and foreign currency loans forming part of net investment in foreign operations | - | (77) | - | (77) | - | (77) |
| Total comprehensive (expense)/income for the period | - | (77) | 8,270 | 8,193 | 662 | 8,855 |
| Balance at 31 March 2023 | 544,501 | 38,184 | 204,017 | 786,702 | 113,323 | 900,025 |

(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 2022)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2023

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the 3 months ended 31 March 2023

| | 31.3.2023 | 31.3.2022 |
|---|------------------|------------------|
| | RM'000 | RM'000 |
| Profit/(loss) before tax | 12,420 | (13,434) |
| Adjustments for non-cash flow:- | | |
| Non-cash items | 12,249 | 13,345 |
| Non-operating items | 2,714 | 614 |
| Operating profit before changes in working capital | 27,383 | 525 |
| Changes in working capital | | |
| Net change in current assets | 2,182 | (1,891) |
| Net change in current liabilities | (21,437) | (13,934) |
| Cash generated from/(used in) operations | 8,128 | (15,300) |
| Income taxes (paid)/refund | (1,052) | 1,162 |
| Retirement benefits paid | (142) | (688) |
| Net cash inflow/(outflow) from operating activities | 6,934 | (14,826) |
| Investing activities | | |
| Interest income received | 110 | 114 |
| Purchase of property, plant and equipment | (2,644) | (1,648) |
| Loans to an associated company | (4,066) | - |
| Net cash outflow from investing activities | (6,600) | (1,534) |
| Financing activities | | |
| Drawdown of borrowings | 5,830 | 712 |
| Repayment of borrowings | - | (5,000) |
| Payments of lease obligations | (276) | (144) |
| Interest expense paid | (2,803) | (718) |
| Net cash inflow/(outflow) from financing activities | 2,751 | (5,150) |
| Net increase/(decrease) in cash & cash equivalents | 3,085 | (21,510) |
| Cash & cash equivalents at beginning of the year | 109,992 | 78,170 |
| Cash & cash equivalents at end of financial period | 113,077 | 56,660 |

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2022)

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

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 2022. 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 2022, except for the adoption of the amended Malaysian Financial Reporting Standards (“MFRSs”) which are relevant to its operations commencing 1 January 2023 as set out below.

| | |
|------------------------|---|
| Amendments to MFRS 101 | Presentation of Financial Statements (<i>Disclosures of Accounting Policies</i>) |
| Amendments to MFRS 108 | Accounting Policies, Changes in Accounting Estimates and Errors (<i>Definition of Accounting Estimates</i>) |
| Amendments to MFRS 112 | Income Taxes (<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>) |

The adoption of these amended MFRSs did not have any significant impact on the financial statements or position of the Group.

Amendments not yet Effective

The following amendments to MFRS have been issued that will become effective for annual periods beginning on or after 1 January 2024 that are relevant to the Group. The Group will adopt these amendments from their effective dates which are not expected to have a material effect on the financial statements of the Group.

| | |
|------------------------|--|
| Amendments to MFRS 16 | Leases (<i>Lease Liability in a Sale and Leaseback</i>) |
| Amendments to MFRS 101 | Presentation of Financial Statements (<i>Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current</i>) |

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 FIRST QUARTER ENDED 31 MARCH 2023

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 2023 <i>(All figures in RM'000)</i> | Hotels & Resorts | Investment Properties | Others | Total |
|---|---------------------|--------------------------|------------|----------------|
| <u>Major Goods/Service Lines</u> | | | | |
| Revenue from rooms | 59,617 | - | - | 59,617 |
| Food and beverage sales | 44,858 | - | - | 44,858 |
| Rendering of ancillary services | 3,780 | - | - | 3,780 |
| Golf operations | 1,932 | - | - | 1,932 |
| Property rentals | - | 5,186 | - | 5,186 |
| Laundry services | - | - | 935 | 935 |
| Total revenue | 110,187 | 5,186 | 935 | 116,308 |

| For the period ended 31 March 2022 <i>(All figures in RM'000)</i> | Hotels & Resorts | Investment Properties | Others | Total |
|---|---------------------|--------------------------|------------|---------------|
| <u>Major Goods/Service Lines</u> | | | | |
| Revenue from rooms | 25,565 | - | - | 25,565 |
| Food and beverage sales | 23,454 | - | - | 23,454 |
| Rendering of ancillary services | 1,694 | - | - | 1,694 |
| Golf operations | 595 | - | - | 595 |
| Property rentals | - | 5,157 | - | 5,157 |
| Laundry services | - | - | 651 | 651 |
| Total revenue | 51,308 | 5,157 | 651 | 57,116 |

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 2023.

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 2023, except for the continued business recovery across the Group's hotel operations from the pandemic as disclosed in notes B1 and B2.

As at 31 March 2023, Group shareholders' equity stood at RM786.702 million, an improvement of RM8.193 million compared to RM778.509 million at the end of December 2022, due to the net profit recorded in the first quarter 2023, partially offset by unfavourable foreign exchange translation differences. Consequently, the Group's net asset value per share as at 31 March 2023 rose in tandem to RM1.79 from RM1.77 at the previous year-end.

Group total current assets were RM144.264 million at 31 March 2023, RM0.887 million higher than RM143.377 million at the end of December 2022. The increase was driven mostly by higher short-term fund placements, partially offset by a decrease in cash and bank balances as well as lower trade and other receivables.

Group total current liabilities dropped by RM15.645 million to RM290.016 million as at 31 March 2023 from RM305.661 million at the previous year end. This was attributable largely to a RM21.408 million reduction in trade payables and accruals as amounts due to suppliers and vendors as well as accrued bonus in respect of the 2022 financial year were paid off during the first quarter 2023. The lower trade payables and accruals were partly offset by an increase in short-term bank borrowings.

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NOTES PURSUANT TO MFRS 134

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 2023.

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 2023.

A7 Dividends Paid

There were no dividends paid during the financial period ended 31 March 2023.

A8 Segmental Reporting

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

| For the period ended 31 March 2023 <i>(All figures in RM'000)</i> | Hotels & Resorts | Investment Properties | Others | Inter-segment Elimination | Consolidated Total |
|---|---------------------|--------------------------|----------------|------------------------------|-----------------------|
| Segment Revenue | | | | | |
| Revenue from external customers | 110,187 | 5,186 | 935 | - | 116,308 |
| Inter-segment revenue | - | 604 | 499 | (1,103) | - |
| Total revenue | 110,187 | 5,790 | 1,434 | (1,103) | 116,308 |
| Segment Results | | | | | |
| Operating profit/(loss) | 13,634 | 3,014 | (213) | (1,308) | 15,127 |
| Interest expense | (1,721) | (55) | (2,748) | 1,700 | (2,824) |
| Interest income | 1,443 | - | - | (1,333) | 110 |
| Share of results of associated companies | - | 7 | - | - | 7 |
| Profit/(loss) before tax | 13,356 | 2,966 | (2,961) | (941) | 12,420 |

| As at 31 March 2023 <i>(All figures in RM'000)</i> | Hotels & Resorts | Investment Properties | Others | Inter-segment Elimination | Consolidated Total |
|--|---------------------|--------------------------|--------------|------------------------------|-----------------------|
| Segment assets | | | | | |
| Segment assets | 869,434 | 357,829 | 5,579 | (191,899) | 1,040,943 |
| Interest in associates | - | 190,055 | - | - | 190,055 |
| Total assets | 869,434 | 547,884 | 5,579 | (191,899) | 1,230,998 |

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 2023 and the date of this report that would materially affect the results of the Group for the financial period ended 31 March 2023.

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 2023.

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NOTES PURSUANT TO MFRS 134

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 2022 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 2023 are as follows:-

| | <u>RM'000</u> |
|-----------------------------------|---------------|
| Authorised and contracted for | 10,790 |
| Authorised but not contracted for | 24,732 |
| | <u>35,522</u> |

A13 Related Party Transactions

3 months ended 31.3.2023
RM'000

Transactions with subsidiaries of the ultimate holding company

| | |
|---|-------|
| - Management, marketing and reservation fees to Shangri-La Hotel Management (MY) Pte Ltd. | 4,288 |
| - Office rental income from Shangri-La Shared Services Sdn Bhd | 285 |

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 2023 vs 1st Quarter 2022

Group revenue for the first three months to 31 March 2023 grew by 104% to RM116.308 million from RM57.116 million in the same period of 2022. Accordingly, the Group achieved a net profit attributable to shareholders of RM8.270 million in the first quarter 2023, as against the net loss of RM12.942 million reported in the first quarter 2022.

The recovery in the Group's financial performance was bolstered by stronger results from across all its hotel operations in a more favourable business environment. Throughout the quarter, the Group's hotels and resorts witnessed a continued rebound in market demand, leading to good improvements both in rooms and in food and beverage business.

Revenue from Shangri-La Hotel Kuala Lumpur rose by 116% over the first three months of 2022 to RM38.212 million, lifted by higher levels of rooms and food and beverage business. The hotel closed the first quarter 2023 with a pre-tax profit of RM5.926 million compared to the RM4.356 million loss the year before. Occupancy at the hotel was 54%, up from 16% in the first quarter 2022.

Rasa Ria Resort recorded a 235% surge in revenue during the first quarter 2023 to RM24.868 million. As a result, the resort returned to profitability, delivering a pre-tax profit of RM1.665 million compared with the loss of RM7.070 million in the three-month period of 2022. With leisure arrivals from its key markets recovering steadily, the resort saw occupancy rise to 53% from 20% in the first quarter 2022.

Reflecting improved leisure demand, occupancy at Rasa Sayang Resort climbed to 69% from 47% in the first quarter 2022, which led to a 77% revenue increase to RM22.189 million in the first quarter 2023. The hotel made a pre-tax profit of RM3.963 million in the first quarter 2023, reversing the loss of RM0.210 million in the prior year period.

A healthy uptick in leisure business from the domestic sector drove occupancy at Golden Sands Resort to 64% from 53% in the first quarter 2022, with revenue growing by 41% to RM13.131 million. In tandem, the resort increased its pre-tax profit from RM0.486 million in the first three months of 2022 to RM2.574 million.

Hotel Jen Penang also performed well, with revenue up by 156% to RM9.417 million, helped by an improvement in occupancy to 59% versus 27% in the first quarter 2022. The hotel turned in a pre-tax profit of RM0.593 million in the first quarter 2023 compared with the loss of RM2.230 million for the same period last year.

In the first quarter 2023, the combined rental revenue from the Group's investment properties in Kuala Lumpur of RM5.790 million was broadly in line with that reported in the first quarter 2022. Their combined pre-tax profit, however decreased by 7% from RM3.182 million in the prior year period to RM2.959 million, mainly due to a sharp rise in electricity tariffs.

During the first three months of 2023, the Group's share of profits from associates in Myanmar fell to RM0.007 million from RM0.394 million in the corresponding period a year ago. Pursuant to the requirements of MFRS 128, the Group's unrecognised share of losses for the first quarter 2023 in Traders Yangon Company Ltd ("TYCL") in which it holds a 23.5% equity interest amounted to RM1.935 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 1st Quarter 2023 vs 4th Quarter 2022

In the first quarter to 31 March 2023, Group revenue dipped by 3% to RM116.308 million from RM119.711 million in the fourth quarter ended 31 December 2022, with reduced revenue contributions mainly from the Group's resorts in Penang and from Hotel Jen Penang.

Notwithstanding, the Group posted a net profit attributable to shareholders of RM8.270 million for the first quarter 2023, a strong improvement from the net loss of RM31.814 million in the fourth quarter 2022. This was principally driven by positive contributions from Rasa Ria Resort and Shangri-La Hotel Kuala Lumpur as well as by the absence of a significant charge of RM15.518 million for a loan impairment loss relating to an associated company in Myanmar which was recognised at the end of 2022. Coupled with this, the financial results in the first quarter 2023 were also favourably impacted by the Group's share of associated companies' profits of RM0.007 million versus the share of losses of RM5.387 million in the fourth quarter 2022.

In the period, Rasa Ria Resort produced better results with higher revenue than in the fourth quarter 2022, buoyed by a stronger occupancy level of 53% compared to 42% in the fourth quarter 2022. There was also an improved performance by Shangri-La Hotel Kuala Lumpur, primarily on account of a significant reduction in operating expenses. The hotel's occupancy for the first quarter 2023 moved up slightly from 53% in the fourth quarter 2022 to 54%.

The Group's resorts in Penang and Hotel Jen Penang recorded revenue shortfalls against the fourth quarter 2022, mostly due to softer average room rates. For the first quarter 2023, occupancy of Rasa Sayang Resort remained flat at 69%, while occupancy for Golden Sands Resort slipped from 69% to 64%. At Hotel Jen Penang, occupancy edged down to 59% from 60% in the 2022 fourth quarter.

During the first three months of 2023, the combined rental revenue from the Group's investment properties in Kuala Lumpur was RM5.790 million, 1% lower than the fourth quarter 2022.

B3 Prospects for 2023

Going forward, despite ongoing economic challenges, the overall outlook for the Group's hotel operations remains encouraging with travel demand recovering at a resilient pace.

The Group's hotel businesses are expected to see continued positive momentum in their operating performances through the course of 2023 as they are well placed to take further advantage of the steady resurgence in both leisure and business travel demand as well as to capitalise on the reopening of China's international borders.

The operating environment for the Group's investment properties in Kuala Lumpur continues to be challenging owing to subdued demand conditions.

B4 Variance on Profit Forecast/Profit Guarantee

Not applicable.

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

B5 Taxation

| | 3 months ended | | 3 months ended | |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 31.3.2023 RM'000 | 31.3.2022 RM'000 | 31.3.2023 RM'000 | 31.3.2022 RM'000 |
| <u>Company and subsidiaries</u> | | | | |
| <u>Current taxation</u> | | | | |
| - current period | (1,005) | (991) | (1,005) | (991) |
| - in respect of prior years | - | (1) | - | (1) |
| | (1,005) | (992) | (1,005) | (992) |
| <u>Deferred taxation</u> | | | | |
| - current period | (2,568) | 3,312 | (2,568) | 3,312 |
| - in respect of prior years | 85 | (4,195) | 85 | (4,195) |
| | (2,483) | (883) | (2,483) | (883) |
| | (3,488) | (1,875) | (3,488) | (1,875) |

The Group's effective tax rate for the first three months ended 31 March 2023 was 28%, as compared with the statutory tax rate of 24%, largely reflecting the impact of certain expenses which are non-deductible for tax purposes.

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 2023 were RM192.497 million, compared with RM172.710 million at 31 March 2022.

| <i>(All figures in RM'000)</i> | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------------|---------------------|---------------------|
| <u>Secured</u> | | |
| Short Term | - | - |
| Long Term | - | - |
| | - | - |
| <u>Unsecured</u> | | |
| Short Term | 192,497 * | 172,710 ** |
| Long Term | - | - |
| Total | 192,497 | 172,710 |

* Amounts drawdown as at 31 March 2023 comprised HKD42.800 million and USD20.011 million from two offshore banks in Labuan, and USD18.000 million from a local bank.

** Amounts drawdown as at 31 March 2022 comprised HKD42.800 million and USD17.519 million from two offshore banks in Labuan, and USD18.000 million from a local bank.

There were no debt securities in the financial period ended 31 March 2023.

B8 Financial Instruments

Derivatives

There were no outstanding derivative financial instruments as at 31 March 2023.

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 2023.

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 2023****NOTES REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B****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 31 March 2023.

B11 Earnings/(Loss) per Share

The basic earnings/(loss) per ordinary share for the three (3) months ended 31 March 2023 have been calculated as follows:-

| | 3 months ended | | 3 months ended | |
|---|----------------|-----------|----------------|-----------|
| | 31.3.2023 | 31.3.2022 | 31.3.2023 | 31.3.2022 |
| Profit/(Loss) attributable to shareholders of the Company (<i>RM'000</i>) | 8,270 | (12,942) | 8,270 | (12,942) |
| No. of ordinary shares in issue (<i>'000</i>) | 440,000 | 440,000 | 440,000 | 440,000 |
| Basic Earnings/(Loss) Per Share (<i>sen</i>) | 1.88 | (2.94) | 1.88 | (2.94) |

Diluted Earnings/(Loss) per Share

Not applicable.

B12 Notes to the Statement of Comprehensive Income

| | 3 months ended | | 3 months ended | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31.3.2023 RM'000 | 31.3.2022 RM'000 | 31.3.2023 RM'000 | 31.3.2022 RM'000 |
| Net profit/(loss) for the period is arrived at after (charging)/crediting:- | | | | |
| Interest expense | (2,824) | (728) | (2,824) | (728) |
| Depreciation | (11,385) | (13,103) | (11,385) | (13,103) |
| Net foreign exchange loss | (55) | (28) | (55) | (28) |
| Allowance for doubtful debts - trade and other receivables | (18) | (3) | (18) | (3) |
| Interest income | 110 | 114 | 110 | 114 |

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 2023.

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 2022.

By Order of the Board

Choy Chiew Ling
Company Secretary


Kuala Lumpur
30 May 2023

Quarterly rpt on consolidated results for the financial period ended 31 Mar 2023

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

| | |
|---|-----------------------|
| Financial Year End | 31 Dec 2023 |
| Quarter | 1 Qtr |
| Quarterly report for the financial period ended | 31 Mar 2023 |
| The figures | have not been audited |

Attachments

 [1st Qtr 31 Mar 2023 Results.pdf](#)
1.2 MB

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

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 Mar 2023

| | INDIVIDUAL PERIOD | | CUMULATIVE PERIOD | |
|---|----------------------|--------------------------------------|----------------------|-------------------------------------|
| | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR TO DATE | PRECEDING YEAR CORRESPONDING PERIOD |
| | 31 Mar 2023 | 31 Mar 2022 | 31 Mar 2023 | 31 Mar 2022 |
| | \$\$'000 | \$\$'000 | \$\$'000 | \$\$'000 |
| 1 Revenue | 116,308 | 57,116 | 116,308 | 57,116 |
| 2 Profit/(loss) before tax | 12,420 | -13,434 | 12,420 | -13,434 |
| 3 Profit/(loss) for the period | 8,932 | -15,309 | 8,932 | -15,309 |
| 4 Profit/(loss) attributable to ordinary equity holders of the parent | 8,270 | -12,942 | 8,270 | -12,942 |
| 5 Basic earnings/(loss) per share (Subunit) | 1.88 | -2.94 | 1.88 | -2.94 |
| 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 (\$\$) | 1.7900 | 1.7700 |

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 May 2023 |
| Category | Financial Results |
| Reference Number | FRA-30052023-00035 |