

Shangri-La Asia Ltd Company Update

08 December 2020





Latest Company Update

November Business Update Summary

COVID-19 Update

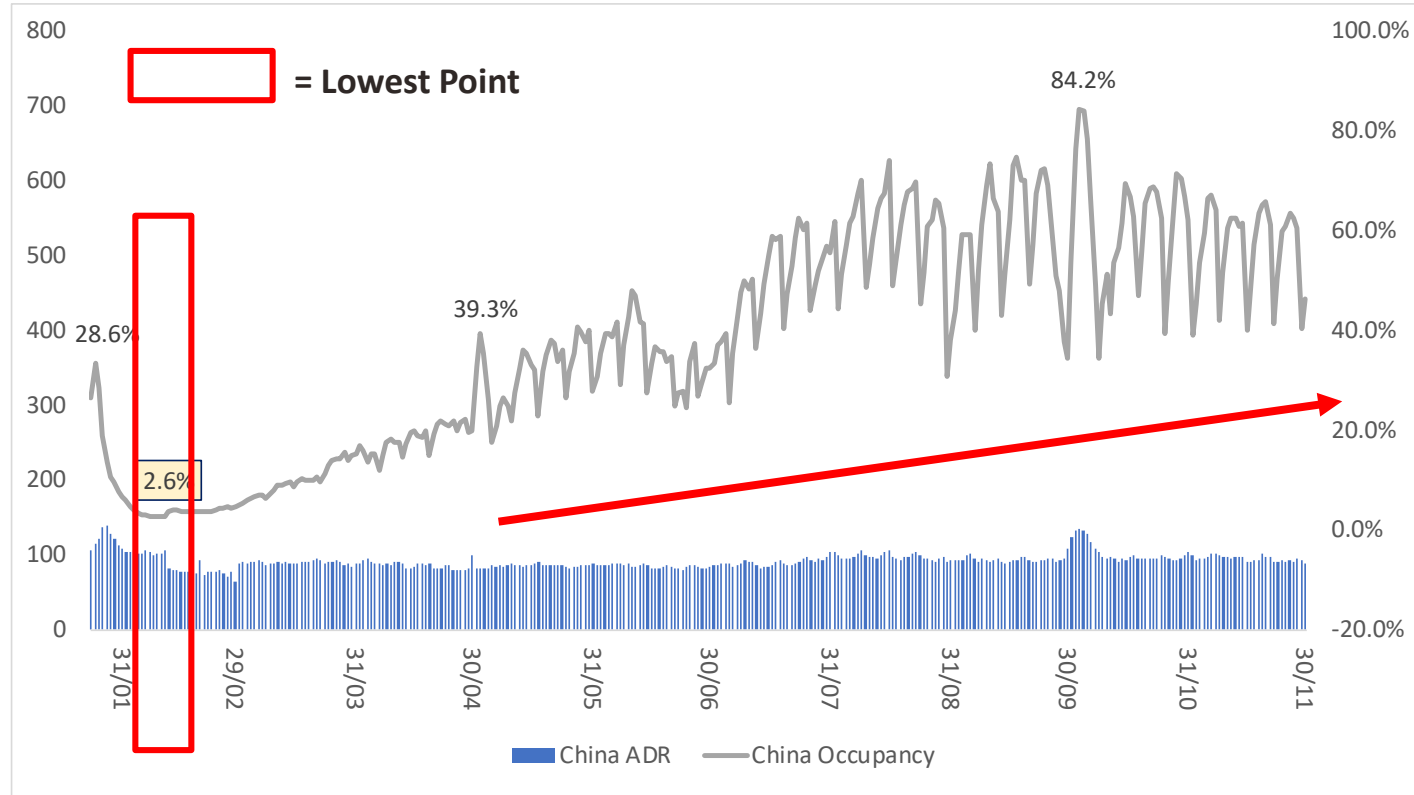
- Mainland China remained as bright spot of recovery since trough in February 2020
- Domestic leisure travel strength has helped Mainland China achieve positive EBITDA since June
- However most other regions remain challenging as spread of virus still not under control
- International business hubs HK and Singapore remained challenging due to travel restrictions
- Investment properties continue to be steady while residential units handover in Colombo remained slow due to curfews
- We remain vigilant as guest and staff safety remains as top priority

Business update

- Soft launch of investment property Shangri-La Centre (office), Wuhan in November 2020

COVID-19 update on Mainland China Hotels

- Our hotel portfolio in Mainland China has seen a sustained steady recovery since February's bottom
- This was supported by domestic leisure and corporate travel as well as some government businesses
- Recovery mainly driven by domestic leisure demand, benefiting T2-4 cities





2020 Interim Results

1H 2020 Results Highlights

Results highlights – 1H 2020 vs 1H 2019

USDmn	1H 20	1H 19	YoY (USDmn)	YoY (%)
Consolidated Revenue	453.5	1,195.0	(741.5)	-62.1%
Effective share of EBITDA	27.8	449.2	(421.4)	-93.8%
Operating PATMI	(255.4)	64.2	(319.6)	n.m.
Total PATMI	(282.6)	115.1	(397.7)	n.m.

Proposed no interim dividend as our continued efforts to conserve cash

Results summary

- Hotels and residential businesses impacted by COVID-19
- Investment properties continued to provide stable base
- Reduced Group-wide opex by ~50% during the affected period
- March marked the bottom of Operating PATMI for the Group
- China hotel occupancies reached 35% in June and turned EBITDA positive for the month

1H 2020 Business Update

1H 2020 overview

- Mainland China occupancy bottomed in February but sustained a gradual recovery to reach 49% in July
- This was supported by domestic leisure and corporate travel as well as some government businesses
- Business also picked up in other regions where the virus is under control and has stronger local demand, such as Malaysia, Australia and Taiwan, though situations remain volatile.

Actions taken

- Implemented 'Shangri-La Cares' commitment and applied strict local requirements to ensure safety of our guests and colleagues
- Increased focus on domestic market (family packages, catering, F&B promotions, etc.)
- Implemented stringent cost and capex control measures to conserve cash
 - Voluntary wage reductions, no pay leave, and Directors' fee reduction
- Continued to actively manage debt profile to reduce annual refinancing burden

Business update

- Opened Shangri-La Hotel, Zhoushan in January 2020

Financial Highlights – YTD June 2020 Actual vs Last Year

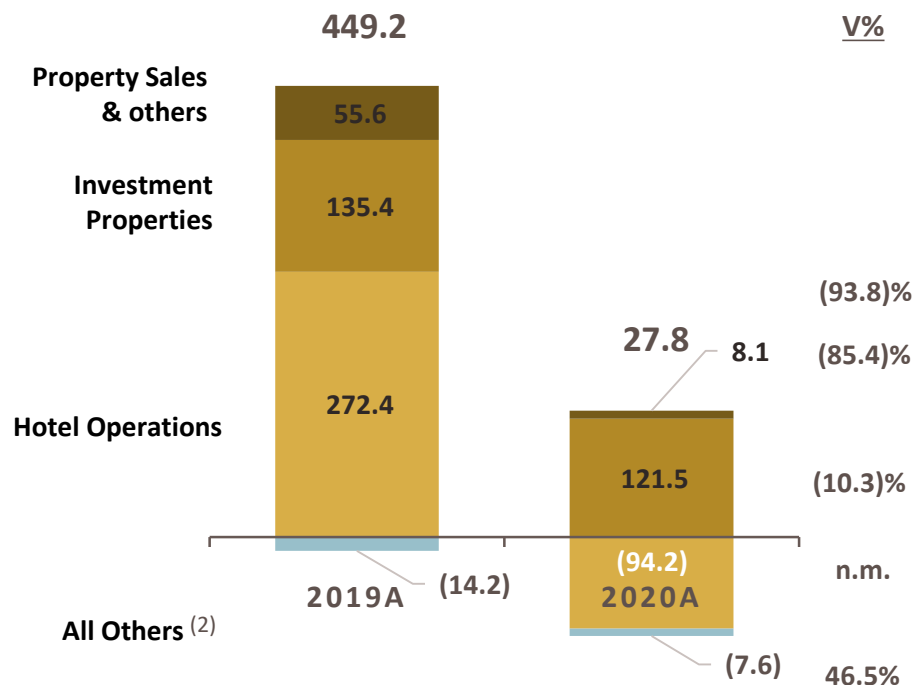
In USD million	1H 20A	1H 19A	20A v 19A	% Change
Revenue	453.5	1,195.0	(741.5)	(62.1%)
EBITDA	(74.8)	300.9	(375.7)	nm
<i>EBITDA Margin</i>	<i>nm</i>	<i>26.4%</i>		
Effective share of EBITDA (Note 1)	27.8	449.2	(421.4)	(93.8%)
<i>Effective EBITDA Margin</i>	<i>4.5%</i>	<i>31.0%</i>		
Operating Segment PATMI	(198.2)	144.8	(343.0)	nm
Corporate, Pre-Opening Expenses and FX	2.5	(18.8)	21.3	nm
Interest Expenses (net)	(59.7)	(61.8)	2.1	3.4%
Operating PATMI	(255.4)	64.2	(319.6)	nm
Impairment & Fair Value of Properties	(27.9)	48.8	(76.7)	nm
Other non-operating items	0.7	2.1	(1.4)	nm
Total PATMI	(282.6)	115.1	(397.7)	nm

(1) Effective Share of EBITDA - include the effective share of EBITDA of subsidiaries and associated companies

Effective Share of EBITDA by Segment – YTD Jun 20 Actual vs LY

In USD million

Effective Share of EBITDA ⁽¹⁾



2020 Actual vs 2019 Actual

Hotel Properties – decreased USD366.6mn to USD(94.2)mn

- All destinations posted a loss, led by Mainland China USD(136.3)mn, HK USD(73.5)mn, The Philippines USD(30.7)mn
- SLIM USD(37.6)mn

Investment Properties – decreased USD13.9mn to USD121.5mn

- China USD(12.2)mn
- Singapore USD(1.2)mn
- Partially offset by Mongolia USD0.6mn

Property Sales & Others – decreased USD47.5mn to USD8.1mn


- Slower units handover USD(47.0)mn, mainly Colombo USD(30.2)mn

(1) Effective Share of EBITDA - include the effective share of EBITDA of subsidiaries and associated companies

(2) All Others – include corporate expenses and pre-opening expenses

Impairment & Fair Value Adjustment

Fair value gains on investment properties (net of deferred tax)	1H 2020	1H 2019
<u>Subsidiaries</u>		
- Singapore	(6.2)	-
- Myanmar	(5.7)	0.8
- Mainland China	(3.7)	19.1
- Mongolia	(2.4)	4.4
- Sri Lanka	0.7	0.9
- Subtotal	<u>(17.3)</u>	<u>25.2</u>
<u>Associates</u>		
- Subtotal	<u>(10.6)</u>	<u>23.5</u>
	<u>(27.9)</u>	<u>48.8</u>

A modern, luxurious indoor swimming pool with lounge chairs and spherical floats. The pool is illuminated with blue lights, and the surrounding area features large windows and a high ceiling with a grid of lights. The water is clear and blue, reflecting the lights and the surrounding architecture. The lounge chairs are arranged in a row along the right side of the pool, and there are several spherical floats in the water. The overall atmosphere is clean, bright, and sophisticated.

Corporate Finance and Treasury Update

Cash, Debt and Gearing Summary (as of 30 Jun 2020)

Capital Structure Overview and Debt Breakdown / Debt Maturity Schedule (USDmn)

Gross Debt*

\$5.5b ↑ **\$0.3b**

Net Debt*

\$4.5b ↑ **\$0.3b**

Net Debt/EBITDA*

-ve ↔ **nm**

EBITDA/Interest Expense*

-ve ↔ **nm**

* Compared to 31 Dec 19

Cash & cash equivalent

\$1.0b

Committed Undrawn Facilities

\$1.2b

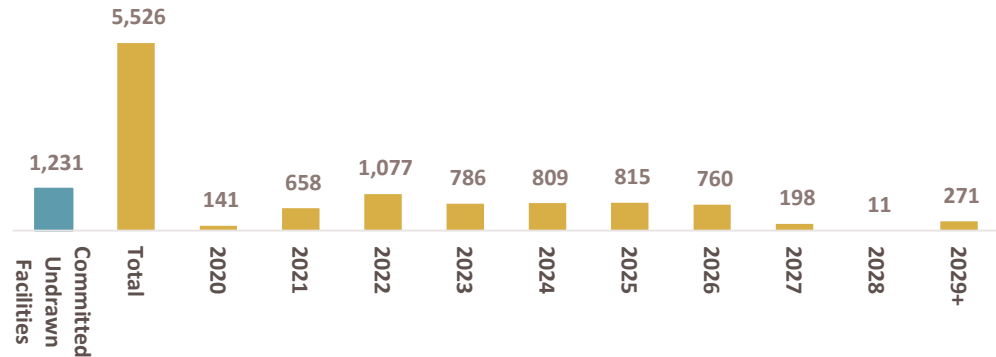
% Debt at fixed rate

58.4%

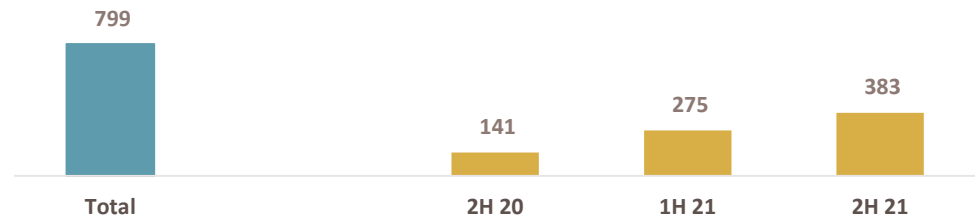
Effective Interest Rate

3.38%

Weighted Average Term : 4.34 years (4.21 @ Dec 19)



Facilities Maturing in 2020 & 2021





Operational Update

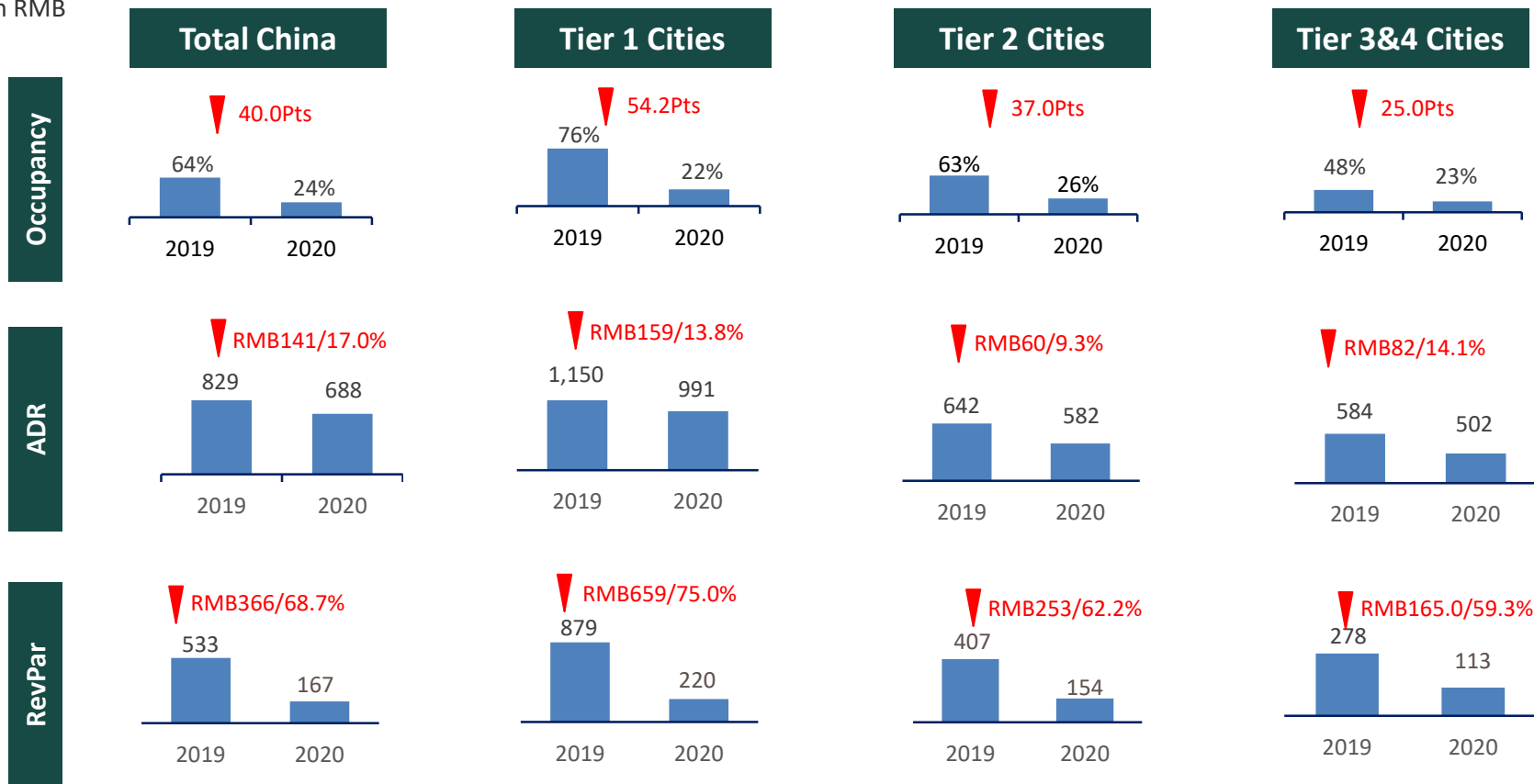
Operational Updates – YTD Jun Hotel Occupancy, ADR & RevPar (SA Hotel)

The hotels weighted average RevPar was USD35.4 for YTD Jun 2020, a decrease of USD74.8 or 67.9% compared to USD110.2 for YTD Jun 2019. If adjusted for the exchange rate impact, the weighted average RevPar would have been USD36.2, a decrease of USD74.0 or 67.1%.

	2020			2019			2020 vs 2019	
	Occupancy (%)	ADR (US\$)	RevPar (US\$)	Occupancy (%)	ADR (US\$)	RevPar (US\$)	RevPar (US\$)	Var (%)
HONG KONG SA	14%	216	30	82%	290	237	(207)	(87%)
CHINA SA	24%	98	24	64%	122	79	(55)	(70%)
SINGAPORE SA	42%	155	65	78%	215	168	(103)	(61%)
MALAYSIA SA	25%	130	32	72%	132	95	(63)	(66%)
PHILIPPINES SA	33%	177	59	69%	201	139	(80)	(58%)
JAPAN SA	29%	560	160	79%	615	485	(326)	(67%)
THAILAND SA	24%	170	41	68%	173	117	(76)	(65%)
AUSTRALIA SA	36%	227	82	85%	232	198	(116)	(59%)
FRANCE SA	38%	1,128	434	54%	1,220	663	(228)	(34%)
SRI LANKA SA	18%	137	24	33%	165	54	(30)	(55%)
MONGOLIA SA	7%	159	12	35%	186	66	(54)	(82%)
UNITED KINGDOM SA	30%	544	161	77%	558	429	(268)	(62%)
Other Countries SA	24%	173	42	49%	188	92	(50)	(55%)
All SA Hotels by Country	26%	139	35	66%	167	110	(75)	(68%)

Operational Updates – YTD Jun China Hotel Occupancy & RevPar

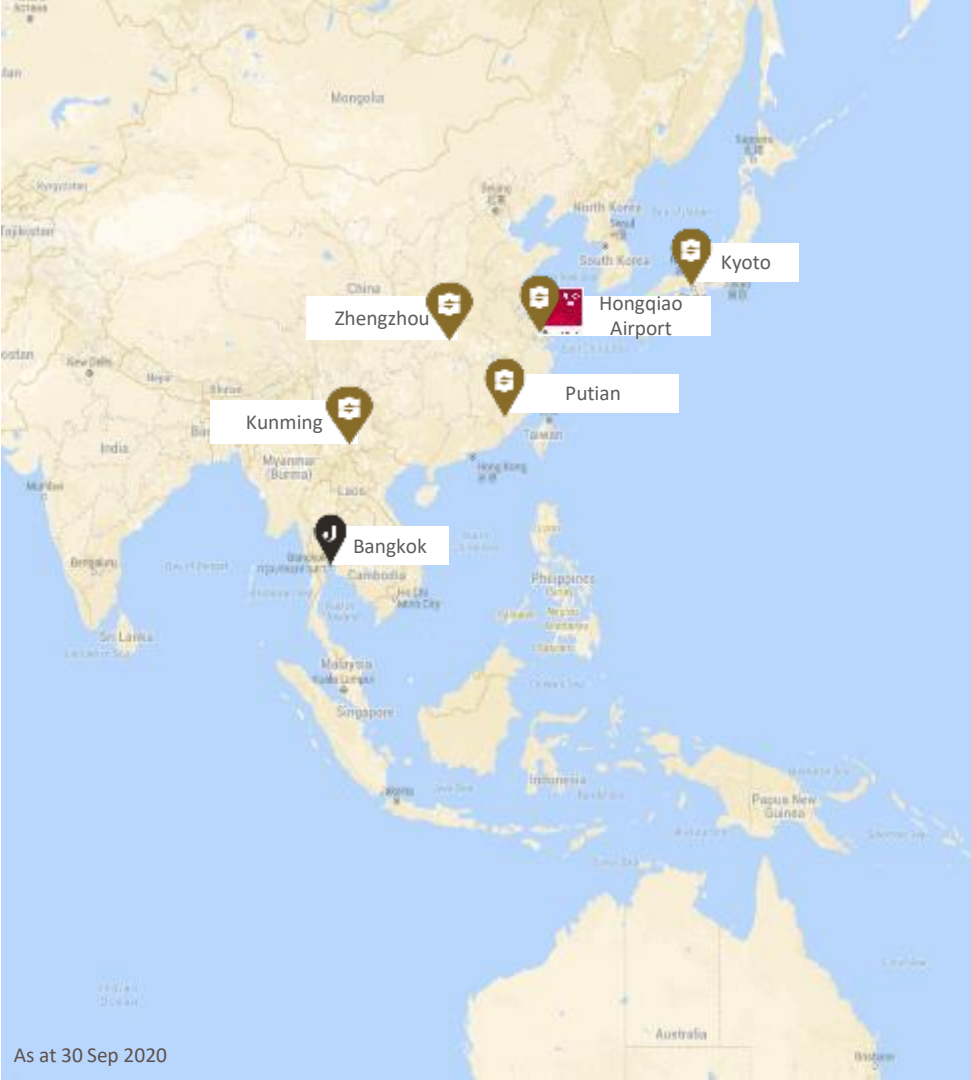
In RMB





Appendix

Owned Hotels Under Development



Group's Equity Interest

Projected Opening





Subsidiaries

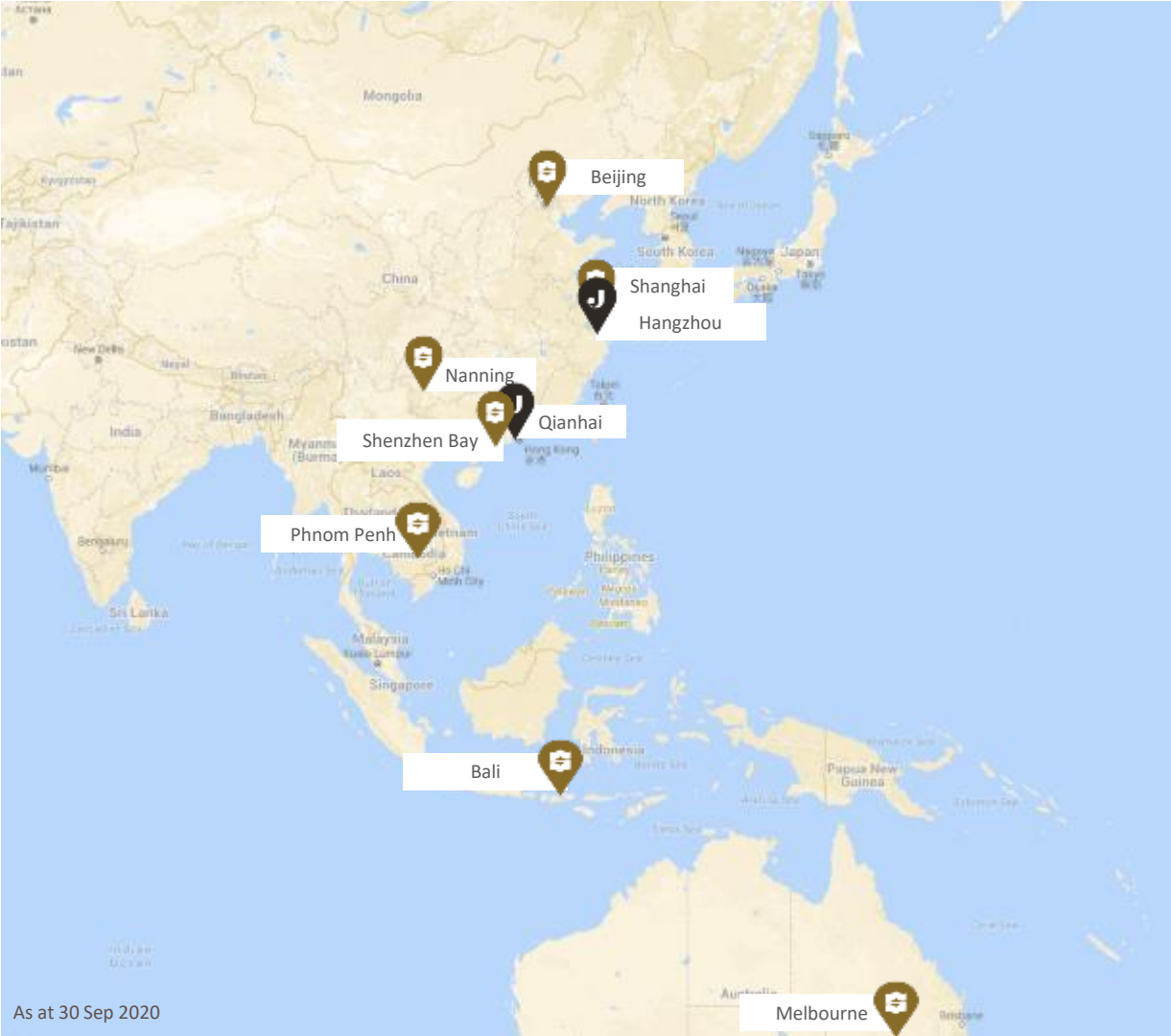
 Shangri-La Hotel, Kyoto	100%	2024
 Hotel Jen, Bangkok	100%	TBD

Operating lease agreement












 Shangri-La Hotel, Hongqiao Airport		2024
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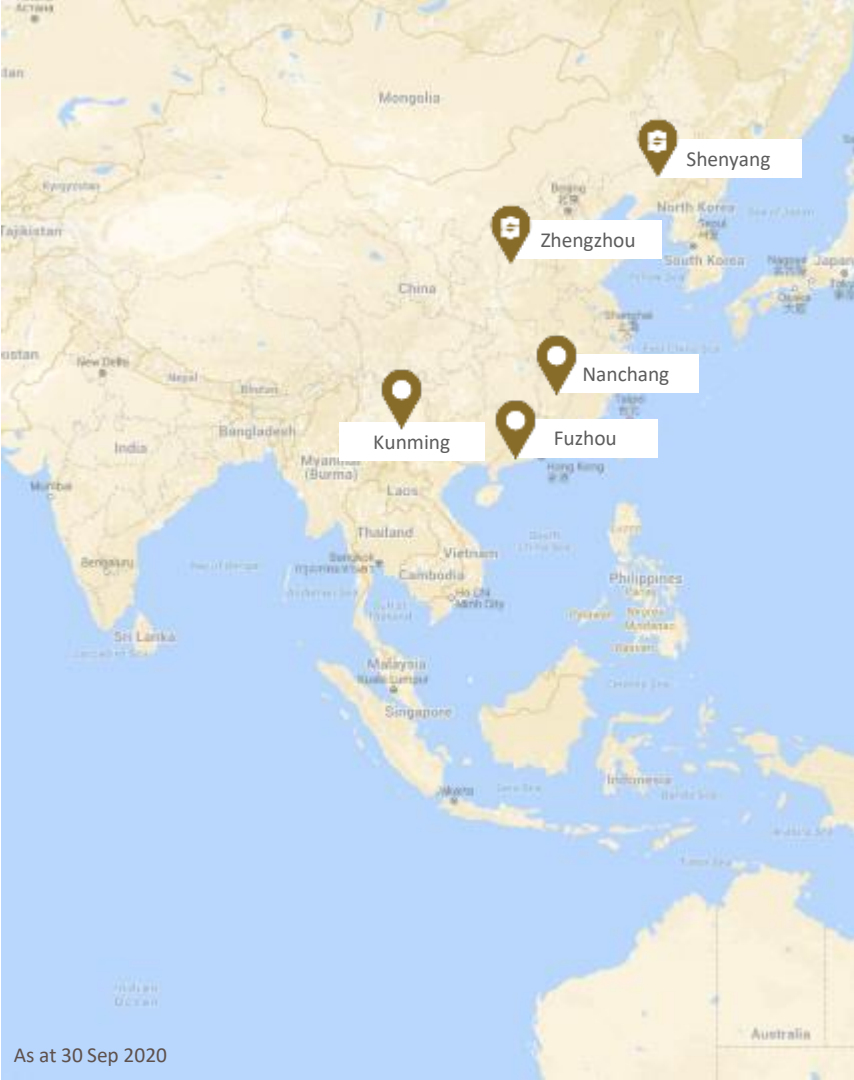
JV with Kerry Properties Limited

 Shangri-La Hotel, Putian	40%	2021
 Hotel Jen, Kunming	45%	2023
 Shangri-La Hotel, Zhengzhou	45%	2024
 Shangri-La Hotel, Kunming	45%	TBD




Managed Hotels Under Development and Projected Opening Dates

-  Shangri-La Hotel, Qian Tan, Q3 21
-  Shangri-La Hotel, Nanning, Q3 21
-  Shangri-La Hotel, Shougang Park, Beijing, Q4 21
-  Shangri-La Hotel, Jeddah (Not on the map), Q4 21
-  Shangri-La Phnom Penh, Cambodia, Q2 22
-  Hotel Jen Qianhai, Shenzhen, Q4 22
-  Shangri-La Hotel, Melbourne, Q3 23
-  Shangri-La Hotel, Bahrain (Not on the map), Q2 24
-  Shangri-La Hotel, Shenzhen Bay, Q3 24
-  Shangri-La Hotel, Bali, TBD
-  Hotel Jen, Hangzhou, TBD




Composite Projects Under Development

Subsidiaries

-  **Phase II of Shangri-La Hotel, Fuzhou***
 - Equity interest: 100%
 - Component: Office
 - Projected opening: 2023


Joint Ventures with KPL (Cont'd)


-  **Kunming City Project***
 - Equity interest: 45%
 - Component : Hotel, Commercial & apartment
 - Projected opening : 2022

Joint Ventures with Kerry Properties Limited

-  **Nanchang City Project**
 - Equity interest: 20%
 - Phase I: Hotel & residential completed
 - Phase II – Design in progress

-  **Zhengzhou City project**
 - Equity interest: 45%
 - Component : Hotel, Office, Commercial & residential
 - Projected opening : 2023 onwards by phases

-  **Shenyang Kerry Centre (Phase II & III)**
 - Equity interest: 25%
 - Part of phase I development (office & residential) has been sold and handed over.
 - Phase II - under development





-  **Putian Phase II***
 - Equity interest: 40%
 - Component and opening: TBD

*Managed by Shangri-La Asia

EBITDA & eff. Share of EBITDA – YTD Jun 20 Actual vs last year

		EBITDA of subsidiaries		Effective share of EBITDA of subsidiaries		Effective share of EBITDA of associates		Aggregate Effective share of EBITDA	
		2020	2019	2020	2019	2020	2019	2020	2019
<i>(USD million)</i>									
Hotel Properties	The People's Republic of China								
	Hong Kong	(25.7)	53.2	(23.8)	48.6	(0.5)	0.6	(24.3)	49.2
	Mainland China	(12.9)	96.5	(13.1)	87.4	(5.9)	29.9	(19.0)	117.3
	Singapore	2.8	27.1	2.9	27.1	1.7	2.5	4.6	29.6
	Malaysia	(5.3)	16.4	(2.8)	9.4	0.2	4.0	(2.6)	13.4
	The Philippines	2.4	30.2	2.3	29.6	1.9	5.3	4.2	34.9
	Japan	(2.1)	5.0	(2.1)	5.0	-	-	(2.1)	5.0
	Thailand	(0.1)	15.0	-	11.1	-	-	-	11.1
	France	(5.5)	(0.8)	(5.5)	(0.8)	-	-	(5.5)	(0.8)
	Australia	1.2	10.2	1.2	10.2	-	-	1.2	10.2
	United Kingdom	(3.0)	3.0	(3.0)	3.0	-	-	(3.0)	3.0
	Mongolia	(1.3)	1.4	(0.7)	0.7	-	-	(0.7)	0.7
	Sri Lanka	(2.0)	(0.4)	(1.8)	(0.4)	-	-	(1.8)	(0.4)
	Other countries	(4.3)	-	(3.0)	0.1	(0.9)	2.8	(3.9)	2.9
		(55.8)	256.8	(49.4)	231.0	(3.5)	45.1	(52.9)	276.1
Hotel Management and Related Services		(41.3)	(3.7)	(41.3)	(3.7)	-	-	(41.3)	(3.7)
Sub-total Hotel Operations		(97.1)	253.1	(90.7)	227.3	(3.5)	45.1	(94.2)	272.4
Investment Properties	Mainland China	6.4	3.9	5.8	3.6	103.7	118.1	109.5	121.7
	Singapore	2.4	2.7	2.4	2.7	1.3	2.2	3.7	4.9
	Malaysia	1.7	2.1	0.9	1.1	-	-	0.9	1.1
	Mongolia	7.1	5.9	3.6	3.0	-	-	3.6	3.0
	Sri Lanka	(0.2)	-	(0.2)	-	-	-	(0.2)	-
	Other countries	7.0	8.1	4.0	4.7	-	-	4.0	4.7
Sub-total Investment Properties		24.4	22.7	16.5	15.1	105.0	120.3	121.5	135.4
Property Development for Sale & Other Business		4.9	39.3	4.4	35.4	3.7	20.2	8.1	55.6
Sub-total		(67.8)	315.1	(69.8)	277.8	105.2	185.6	35.4	463.4
Corporate and pre-opening expenses		(7.0)	(14.2)	(7.0)	(14.0)	(0.6)	(0.2)	(7.6)	(14.2)
Grand total		(74.8)	300.9	(76.8)	263.8	104.6	185.4	27.8	449.2

Shangri-La Asia hotels (As at 30 June 2020)

	Owned/leased		Managed		Total Operating Hotels		Hotels Under Development	
	Hotels	Rooms ('000)	Hotels	Rooms ('000)	Hotels	Rooms ('000)	Owned Hotels	Hotels Under Mgt Contracts
	72	30.6	15	4.7	87	35.3	3	8
	3	1.6	-	-	3	1.6	-	-
	7	2.8	2	0.6	9	3.4	-	2
	-	-	3	1.2	3	1.2	1	-
Total	82	35.0	20	6.5	102	41.5	4	10