

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)

CONNECTED TRANSACTION INTRA-GROUP LOAN AMONG NON-WHOLLY OWNED SUBSIDIARIES

On 3 February 2023, Myanmar Co A and Myanmar Co B (both being non-wholly owned subsidiaries of the Company), entered into the Loan Agreement pursuant to which Myanmar Co A will provide the Loan Facility to Myanmar Co B.

KHL (a substantial shareholder of the Company) owns more than 10% in each of the Myanmar Companies. Accordingly, the Myanmar Companies are connected persons of the Company and the entering into of the Loan Agreement by the Myanmar Companies constitutes a connected transaction of the Company under the Listing Rules.

As the amount of the Loan Facility exceeds 0.1% but is less than 5% of the applicable Percentage Ratios, the Loan Agreement is subject to announcement and reporting requirements but is exempt from independent shareholders' approval requirement.

INTRODUCTION

On 3 February 2023, Myanmar Co A and Myanmar Co B (both being non-wholly owned subsidiaries of the Company), entered into the Loan Agreement pursuant to which Myanmar Co A will provide the Loan Facility to Myanmar Co B.

TERMS OF LOAN AGREEMENT

Date of agreement:	3 February 2023
Lender:	Myanmar Co A
Borrower:	Myanmar Co B
Facility amount:	Up to USD6,000,000
Interest rate:	5.5% per annum
Security:	Nil
Repayment term:	On lender's demand

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT

Myanmar Co B is the owner and operator of Sule Square, Yangon, a commercial complex in Myanmar. Due to the Covid-19 pandemic which has caused severe and sustained business impact on Myanmar Co B's business, Myanmar Co B seeks an intra-group loan from Myanmar Co A through the Loan Agreement.

The source of funds for the Loan Facility is surplus cash from Myanmar Co A. Myanmar Co B will apply the Loan Facility for meeting its working capital requirements.

The Board considers that through the Loan Agreement, the Group can better utilize the funds in its Myanmar projects through mobilizing the surplus cash among its Myanmar operations. This can facilitate the operations of Myanmar Co B's commercial complex, Sule Square, Yangon, and will avoid the burden of loan interest otherwise required to be borne by Myanmar Co B and paid to an external financier.

As compared to terms for a commercial loan quoted by external financiers, the Directors (including the independent non-executive Directors) consider that the entering into of the Loan Agreement is in the ordinary and usual course of business of the Group and believe that the Loan Agreement is on normal commercial terms and is fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Board confirms that none of the Directors had any material interest in the Loan Agreement and accordingly none of the Directors was required to abstain from voting on the resolutions in relation to the Loan Agreement.

INFORMATION ABOUT THE GROUP, THE MYANMAR COMPANIES, KSL AND THEIR ULTIMATE BENEFICIAL OWNERS

The principal activities of the Group are the development, ownership and operations of hotel properties, the provision of hotel management and related services, the development, ownership and operations of investment properties and property development for sale. The Group operates its business under various brand names including "Shangri-La", "Kerry Hotel", "JEN by Shangri-La", "Traders Hotel", "Rasa", "Summer Palace", "Shang Palace" and "CHI, The Spa at Shangri-La".

The principal activity of Myanmar Co A is the ownership and operation of Sule Shangri-La, Yangon, a hotel in Yangon, Myanmar.

The principal activity of Myanmar Co B is the ownership and operation of Sule Square, Yangon, a commercial complex in Yangon, Myanmar.

The principal activity of KSL is investment holding.

The principal activity of KHL is investment holding. KHL is a substantial shareholder of the Company, Kerry Properties Limited and Kerry Logistics Network Limited (all of which are listed in Hong Kong).

IMPLICATIONS UNDER THE LISTING RULES

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As the amount of the Loan Facility exceeds 0.1% but is less than 5% of the applicable Percentage Ratios, the Loan Agreement is subject to announcement and reporting requirements but is exempt from independent shareholders' approval requirement.

DEFINITIONS

“Board”	the board of Directors
“Company”	Shangri-La Asia Limited, an exempted company incorporated in Bermuda with limited liability, whose shares are primarily listed on the Main Board of the Stock Exchange with secondary listing on Singapore Exchange Securities Trading Limited
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“KHL”	Kerry Holdings Limited, a substantial shareholder of the Company
“KSL”	Kuok (Singapore) Limited, a company which is deemed to have interest of 6% – 7% in the Company under Section 336 of the Securities and Futures Ordinance
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 3 February 2023 entered into between Myanmar Co A (as lender) and Myanmar Co B (as borrower) pursuant to which Myanmar Co A agrees to provide the Loan Facility to Myanmar Co B
“Loan Facility”	the loan facility of up to USD6,000,000 granted by Myanmar Co A to Myanmar Co B pursuant to the Loan Agreement
“Myanmar Co A”	Traders Yangon Company Limited, a company incorporated in Myanmar and owned by the Group, KHL and KSL in the proportion of 76.48%, 11.76% and 11.76% respectively
“Myanmar Co B”	Traders Square Company Limited, a company incorporated in Myanmar and owned by the Group, KHL and KSL in the proportion of 76.62%, 11.69% and 11.69% respectively
“Myanmar Companies”	Myanmar Co A and Myanmar Co B
“Percentage Ratios”	has the meaning ascribed to it in Chapter 14 of the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules

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

Hong Kong, 3 February 2023

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

Executive director(s)

Ms KUOK Hui Kwong (Chairman)

Mr CHUA Chee Wui (Group CFO & Group CIO)

Non-executive director(s)

Mr LIM Beng Chee

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