TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS)
RELATED PARTY TRANSACTIONS

TENANCY AGREEMENTS - OFFICE SPACE AT UBN TOWER

1. INTRODUCTION

The Board of Directors of Shangri-La Hotels (Malaysia) Berhad ("SHMB") wishes to announce that its wholly-owned subsidiary, UBN Tower Sdn Bhd has on 30 March 2026 entered into two (2) new Tenancy Agreements with the following related parties for the rental of office space at UBN Tower, 10 Jalan P. Ramlee, 50250 Kuala Lumpur ("Demised Premises") for a 3-year term commencing from 1 April 2026 at a rental rate of RM6.40 per sq.ft. (the "Transactions") as set out in the table below.

Name of Tenants	**Details of floor area of the Demised Premises and monthly rental**
Kuok Brothers Sdn Bhd ("KBSB")	Office space measuring approx. 13,580 sq.ft. at a monthly rental of RM86,912.00.
PPB Group Berhad ("PPB")	Office space measuring approx. 13,611 sq.ft. at a monthly rental of RM87,110.40.

(where KBSB and PPB shall be collectively referred to as "the KB Group")

The KB Group has been renting the Demised Premises pursuant to Tenancy Agreements dated 18 March 2020 for a 3-year term from 1 April 2020 – 31 March 2023, which were renewed for a further term of 3 years and duly announced to Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 24 March 2023. The existing term at the current rental of RM6.20 per sq ft is due to expire on 31 March 2026.

The above Transactions are related party transactions pursuant to Paragraph 10.08 of the Listing Requirements of Bursa Malaysia.

2. INFORMATION ON UBN TOWER SDN BHD

UBN Tower Sdn Bhd ("UBNT") is principally engaged in property investment, management and rental of office and commercial property. It owns the UBN Tower office building which is more than 41 years of age located at No. 10, Jalan P. Ramlee, 50250 Kuala Lumpur. The total net assets of UBNT based on the latest audited financial statements as at 31 December 2024 was RM206.241 million.

The total lettable space of UBN Tower is 329,800 sq. ft. The total lettable available space as at 28 February 2026 is 158,861 sq. ft. representing approximately 48% of the total lettable space of 329,800 sq.ft. The average occupancy of UBN Tower as at 28 February 2026 is 52%.

3. INFORMATION ON RELATED PARTIES

3.1 Information on KBSB

KBSB was incorporated in Malaysia on 23 February 1949 and is principally an investment holding company. It has an issued share capital of 500,000,000 ordinary shares.

3.2 Information on PPB

PPB was incorporated in Malaysia on 1 November 1968 and is listed on Bursa Malaysia. It has an issued share capital of 1,422,598,939 ordinary shares.

The principal activities of PPB and its subsidiaries comprise property investment and investment holding, grains and agribusiness, consumer products, and film exhibition and distribution.

4. DETAILS OF THE TRANSACTIONS

Each of the new Tenancy Agreements are for a tenancy period of 3 years with effect from 1 April 2026 at a rental rate of RM6.40 per sq.ft., with an option to renew for a further term of 3 years at a rental rate to be mutually agreed upon.

The rental rate of RM6.40 per sq ft under the new Tenancy Agreements represents an increase of 3% from the current rental of RM6.20 per sq ft.

The monthly rental payable to UBNT under the new Tenancy Agreements is set out in the table above.

5. BASIS AT ARRIVING AT THE RENTAL RATE

The rental rate was determined by way of comparisons with the market benchmark of prevailing average rental rates of comparable buildings within the Golden Triangle, as well as the average rental rates payable by the existing tenants of UBN Tower as well as the current rental rate of RM6.20 per sq ft payable by KB Group.

6. RATIONALE FOR THE TRANSACTIONS

The Transactions allow UBNT to support its occupancy levels by locking-in the new tenancies with the related parties which would help secure a steady stream of rental income over the next three (3) year period at an increased rental rate, with an option to renew thereafter for a further period of 3 years at a rental rate to be mutually agreed.

7. FINANCIAL EFFECTS

Effects on Share Capital and Substantial Shareholding Structure

The Transactions will have no effect on the issued and paid-up share capital and substantial shareholding structure of SHMB.

Effects on Earnings per Share, Net Assets per Share and Gearing

The Transactions are not expected to have a material effect on the earnings per share and net assets per share of the SHMB Group and has no impact on the gearing of SHMB Group.

8. **PERCENTAGE RATIOS AND WHETHER SHAREHOLDERS' AND GOVERNMENT APPROVALS ARE REQUIRED**

The total rental receivable under the new Tenancy Agreements with the KB Group ("Transactions") over the first term of three (3) years will amount to RM6,264,806.40, representing **0.69%** of the audited net assets of SHMB as at 31 December 2024, which is the highest applicable percentage ratio pursuant to Paragraph 10.02(g) of the Listing Requirements of Bursa Malaysia.

The Transactions are subject to announcement to Bursa pursuant to paragraph 10.08 (1) of the Bursa Listing Requirements but are not subject to the approval of shareholders under the Bursa Listing Requirements nor any other relevant authority.

9. **DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

KBSB is a major shareholder of SHMB with a 23.08% equity interest in SHMB.

KBSB also holds 50.85% (direct and indirect) interest in PPB.

Tan Sri A. Razak bin Ramli is the Board Chairman of SHMB and also a Director of KBSB. He has a 0.02% interest in KBSB.

Accordingly, Tan Sri A. Razak bin Ramli (the "Interested Director") has abstained from all Board deliberations and voting relating to the Transactions.

Save as disclosed above, none of the other Directors, major shareholders and/or persons connected to them have any interest, direct or indirect, in the Transactions.

10. **STATEMENT BY THE AUDIT COMMITTEE**

The Audit Committee of SHMB having considered all aspects of the Transactions is of the opinion that the Transactions are:

(a) in the best interest of SHMB;
(b) fair, reasonable and on normal commercial terms; and
(c) not detrimental to the interest of the minority shareholders.

The Audit Committee had not sought any independent advice but in arriving in its view, the Audit Committee was guided by the market benchmark of prevailing average rental rates of comparable buildings within the Golden Triangle and the existing average rates payable by the current tenants of UBN Tower.

11. **STATEMENT BY THE DIRECTORS**

The Board of Directors (with the exception of the Interested Director namely Tan Sri A. Razak bin Ramli), having considered all aspects of the Transactions is of the opinion that the terms of the Transactions are fair and reasonable and on normal commercial terms not more favourable than those generally available to the public. Hence, the Board is of the view that the Transactions are in the best interest of SHMB Group and not detrimental to the interest of SHMB's minority shareholders.

12. LIABILITIES UNDER THE TENANCY AGREEMENTS

There are no liabilities to be assumed by SHMB or UBNT under the Tenancy Agreements, other than the usual liabilities of UBNT as a landlord.

13. SALIENT TERMS OF THE TENANCY AGREEMENTS

The salient terms of the Tenancy Agreements are as follows: -

Total floor area	:	27,191 sq.ft. representing about 8% of the total lettable space of 329,800 sq.ft.
Rental Rate	:	RM6.40 per sq.ft.
Period of Tenancy	:	Commencing 1 April 2026 for three (3) years and expiring on 31 March 2029, with an option to renew for a further period of three (3) years at a rental rate to be mutually agreed upon.
Payment Terms of Rental	:	Payable monthly in advance on the first day of each calendar month during the term of the tenancy.
Rental Deposit	:	Equivalent to 3 months rental, payable upon execution of the Tenancy Agreements.

14. TOTAL AMOUNT TRANSACTED WITH THE SAME RELATED PARTY FOR THE PRECEDING 12 MONTHS

There have been no amounts transacted with the KB Group for the preceding 12 months from the date of this Announcement.

15. DOCUMENTS AVAILABLE FOR INSPECTION

The Tenancy Agreements are available for inspection at the registered office of SHMB at 13th Floor, UBN Tower, 10 Jalan P. Ramlee, 50250 Kuala Lumpur during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.