

March 16, 2020

SECURITIES AND EXCHANGE COMMISSION

Market and Securities Regulation
Department Secretariat Building, PICC
Complex
Roxas Boulevard, Pasay City, Metro Manila

Attention : **Atty. Vicente Graciano P. Felizmenio, Jr.**
Director

Re : **Impact of COVID-19 Pandemic & Measures to Mitigate Risks**

Gentlemen:

In compliance with the directive of the Securities and Exchange Commission dated 12 March 2020 to all publicly-listed companies to submit reports disclosing the impact of the COVID-19 Pandemic on business operations which includes the measures being implemented or will be implemented by the Company to address or mitigate the risks posed by the said pandemic, Shangri-La Properties, Inc. has made the following assessments:

For our leasing operations, in compliance with government mandate on the closure of malls, both our Shangri-La Plaza Mall in Mandaluyong City and Assembly Grounds at The Rise in Makati City were closed starting 16 March 2020. These closures will lead to:

- a. An estimated reduction in rental income, particularly from tenants with percentage of sales rental basis.
- b. Tenants will most likely also request for rent concessions due to government-imposed closures which will significantly affect rental revenue.
- c. Receivables may increase due to temporary closure of tenants and difficulty in arranging payments

For our hotel operations (SPI has a 60% share in Shangri-La at the Fort), occupancy has been affected since the outbreak of the virus in February and decrease in revenue due to drop in hotel occupancy and cancellation of events is anticipated. Revenue from food and beverage outlets will likewise be affected due to reduced foot traffic brought about by government-imposed curfews and closures.



There is also anticipated impact on our Property Development operations. In the case of our Property Sales, the industry can expect significant slowdown in sales velocities because of COVID-19's effect on the market, the on-going government led quarantines, and government curfews. The travel bans and widespread closure of offices will affect our collection of periodic amortization payments of unit buyers, both locally-based and abroad. Project completion will also be affected as availability of workers and materials may be hampered due to the widespread community quarantines and travel bans.

In terms of measures to mitigate the risks of COVID-19, the following have been put in place:

- a. Temperature scanning and continuous cleaning and disinfecting of our different commercial and residential properties have been in place since last week of February.
- b. Face masks and other protective gear have been made available to all staff and various hand sanitation areas have been set up all over our different properties and offices.
- c. A task force has been set up for our mall which acts as the focal information dissemination and decision making team for our COVID19 initiatives.
- d. With the declaration of NCR under quarantine starting 15 March 2020, the following measures have been put in place:
 - Reduced mall operating times last 15 March 2020 and temporary closure starting 16 March 2020, with the exception of banks, supermarkets, pharmacies and healthcare facilities inside the mall.
 - Flexible work hours and work-from-home arrangements are being implemented to ensure continuity of operations but at the same time ensuring minimal exposure of the staff outside their residential areas.
 - Sales teams will work in shifts with reduced physical presence in observance of and compliance with social distancing measures directed by the Department of Health and World Health Organization.
 - Our IT team has been mobilized to ensure work-from-home arrangements and remote accesses are well-supported during the quarantine period.


- e. Our Executive Committee and the relevant Division Heads are conducting regular meetings and updates to formulate timely responses to the developing COVID19 situation.

For your kind attention and consideration.

SHANG PROPERTIES, INC.
Issuer

March 16, 2020
Date

By:


ATTY. FEDERICO G. NOEL, JR.
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 11
OF THE REVISED SECURITIES ACT (RSA)
AND RSA RULE 11(a)-1(b)(3) THEREUNDER

1. 16 March 2020
Date of Report (Date of earliest event reported)
2. SEC Identification Number: 145490 3. BIR Tax Identification No.: 000-144-386
4. **SHANG PROPERTIES, INC.**
Exact name of Issuer as specified in its charter
5. Philippines 6. (SEC Use Only)
Province, Country or other jurisdiction Industry Classification Code
of incorporation or organization
7. 5th Level Shangri-La Plaza Mall
EDSA corner Shaw Boulevard, Mandaluyong City 1550
Address of principal office Postal Code
8. (632) 8370-2700
Registrant's telephone number, including area code
9. _____
Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding</u>
Common Stock ₱1.00 par value	4,764,058,982

11. Indicate the item numbers reported herein.

Item No. 9

Shang Properties, Inc. is filing its Current Report Under Section 17 of the Securities Regulation Code on the impact of COVID-19 Pandemic on its business operations, including measures to mitigate its risks.

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SHANG PROPERTIES, INC.
Issuer



FEDERICO G. NOEL, JR.
Corporate Secretary

Date: 16 March 2020