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SHANGRI-LA ASIA LIMITED

香格里拉(亞洲)有限公司

(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 (“**Company**”). 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.

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

Executive directors

Mr KUOK Khoon Chen (Chairman & CEO)

Ms KUOK Hui Kwong (Deputy Chairman)

Mr LIU Kung Wei Christopher (MD & COO)

Mr LUI Man Shing

Mr Madhu Rama Chandra RAO

Independent non-executive directors

Mr Alexander Reid HAMILTON

Mr Timothy David DATTELS

Professor LI Kwok Cheung Arthur

Dr LEE Kai-Fu

Non-executive directors

Mr HO Kian Guan

Mr LIM Beng Chee

Mr HO Chung Tao (alternate to Mr HO Kian Guan)

Hong Kong, 10 November 2016

Quarterly rpt on consolidated results for the financial period ended 30 Sep 2016

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Financial Year End 31 Dec 2016

Quarter 3 Qtr

Quarterly report for the financial period ended 30 Sep 2016

The figures have not been audited

Attachments

3rd Qtr 30 September 2016 Results.pdf
480.0 kB

Default Currency Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION
30 Sep 2016

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	142,266	136,099	389,097	366,301
2 Profit/(loss) before tax	41,922	51,531	94,081	109,690
3 Profit/(loss) for the period	32,384	44,081	70,465	87,908
4 Profit/(loss) attributable to ordinary equity holders of the parent	29,884	41,724	64,922	83,104
5 Basic earnings/(loss) per share (Subunit)	6.79	9.48	14.76	18.89
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	3.00	3.00
	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 (\$\$)		2.3527		2.3451

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	10 Nov 2016
Category	Financial Results
Reference Number	FRA-10112016-00013

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
(10889-U)
(Incorporated in Malaysia)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

The Board of Directors of Shangri-La Hotels (Malaysia) Berhad wishes to announce the following :-

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		9 months ended	
	30.9.2016 RM'000	30.9.2015 RM'000	30.9.2016 RM'000	30.9.2015 RM'000
Revenue	142,266	136,099	389,097	366,301
Operating profit	40,695	50,037	88,026	104,140
Interest expense	(653)	(403)	(1,922)	(1,205)
Interest income	1,009	314	3,036	1,050
Share of results of associated companies	871	1,583	4,941	5,705
Profit before tax	41,922	51,531	94,081	109,690
Tax expense	(9,538)	(7,450)	(23,616)	(21,782)
Profit for the period	32,384	44,081	70,465	87,908
<u>Attributable to:</u>				
Shareholders of the Company	29,884	41,724	64,922	83,104
Non-controlling interests	2,500	2,357	5,543	4,804
	32,384	44,081	70,465	87,908
Basic Earnings per Ordinary Share (sen)	6.79	9.48	14.76	18.89
Diluted Earnings 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 2015)

NA - not applicable

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
(10889-U)
(Incorporated in Malaysia)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		9 months ended	
	30.9.2016	30.9.2015	30.9.2016	30.9.2015
	RM'000	RM'000	RM'000	RM'000
Profit for the period	32,384	44,081	70,465	87,908
Other comprehensive income/(expense) for the period	-	-	-	-
Total comprehensive income for the period	32,384	44,081	70,465	87,908
<u>Attributable to:</u>				
Shareholders of the Company	29,884	41,724	64,922	83,104
Non-controlling interests	2,500	2,357	5,543	4,804
	32,384	44,081	70,465	87,908

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015)

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
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(Incorporated in Malaysia)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.9.2016 RM'000	As at 31.12.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	710,677	746,294
Investment properties	288,062	287,980
Interest in associates	246,559	226,090
Property development expenditure	12,286	12,286
Deferred tax assets	230	5,189
	1,257,814	1,277,839
Current assets		
Inventories	7,631	8,242
Trade and other receivables, prepayments and deposits	32,215	32,327
Tax recoverable	4,900	4,552
Cash and cash equivalents	140,276	97,200
	185,022	142,321
Total assets	1,442,836	1,420,160
EQUITY		
Capital and reserves		
Share capital	440,000	440,000
Reserves	595,187	591,865
Total equity attributable to shareholders of the Company	1,035,187	1,031,865
Non-controlling interests	113,587	108,044
Total equity	1,148,774	1,139,909
LIABILITIES		
Non-current liabilities		
Retirement benefits	22,887	21,322
Deferred tax liabilities	18,980	18,334
	41,867	39,656
Current liabilities		
Trade and other payables and accruals	77,726	100,351
Short-term borrowings	160,097	138,917
Current tax liabilities	1,172	1,327
Dividend payable	13,200	-
	252,195	240,595
Total liabilities	294,062	280,251
Total equity and liabilities	1,442,836	1,420,160
Net Assets per Ordinary Share (RM) Attributable to Shareholders of the Company	2.35	2.35

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015)

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 9 months ended 30 September 2016

<i>All figures in RM'000</i>	<u>Attributable to Shareholders of the Company</u>			Total equity attributable to shareholders of the Company	Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings			
	← Non-distributable →		← Distributable →			
Balance at 1 January 2015	440,000	104,501	410,478	954,979	100,164	1,055,143
Net profit for the period	-	-	83,104	83,104	4,804	87,908
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	83,104	83,104	4,804	87,908
Dividends						
- Final dividend for the financial year ended 31.12.2014 paid on 30.6.2015	-	-	(39,600)	(39,600)	-	(39,600)
- Interim dividend for the financial year ended 31.12.2015 paid on 17.11.2015	-	-	(13,200)	(13,200)	-	(13,200)
Balance at 30 September 2015	440,000	104,501	440,782	985,283	104,968	1,090,251
Balance at 1 January 2016	440,000	104,501	487,364	1,031,865	108,044	1,139,909
Net profit for the period	-	-	64,922	64,922	5,543	70,465
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	64,922	64,922	5,543	70,465
Dividends						
- Final dividend for the financial year ended 31.12.2015 paid on 30.6.2016	-	-	(48,400)	(48,400)	-	(48,400)
- Interim dividend for the financial year ending 31.12.2016 payable on 17.11.2016	-	-	(13,200)	(13,200)	-	(13,200)
Balance at 30 September 2016	440,000	104,501	490,686	1,035,187	113,587	1,148,774

(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 2015)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the 9 months ended 30 September 2016

	30.9.2016	30.9.2015
	RM'000	RM'000
Profit before tax	94,081	109,690
Adjustments for non-cash flow:-		
Non-cash items	48,701	20,474
Non-operating items	(1,114)	155
Operating profit before changes in working capital	141,668	130,319
Changes in working capital		
Net change in current assets	723	(6,067)
Net change in current liabilities	(16,570)	(8,967)
Cash generated from operations	125,821	115,285
Income taxes paid	(18,514)	(20,728)
Retirement benefits paid	(165)	(446)
Net cash inflow from operating activities	107,142	94,111
Investing activities		
Interest income received	3,036	1,050
Purchase of property, plant and equipment	(17,890)	(44,393)
Additions to investment properties	(82)	(373)
Net cash outflow from investing activities	(14,936)	(43,716)
Financing activities		
Dividends paid to shareholders of the Company	(48,400)	(39,600)
Dividend paid to non-controlling shareholder of a subsidiary	(700)	(1,000)
Drawdown of borrowings	26,376	22,298
Repayment of borrowings	-	(15,384)
Interest expense paid	(1,922)	(1,205)
Advances to associates	(24,484)	(21,413)
Repayment of loans by associates	-	15,540
Net cash outflow from financing activities	(49,130)	(40,764)
Net increase in cash & cash equivalents	43,076	9,631
Cash & cash equivalents at beginning of the year	97,200	56,595
Cash & cash equivalents at end of financial period	140,276	66,226
Cash and cash equivalents at end of financial period	140,276	66,226
Bank overdraft at end of financial period	-	-
Cash & cash equivalents in the statement of financial position	140,276	66,226

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015)

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016**

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 2015. These condensed consolidated interim financial statements also comply with IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

Except as described below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements of the Group for the year ended 31 December 2015.

The Group has adopted the following amendments to Malaysian Financial Reporting Standards (“MFRS”) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2016.

Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 119	Employee Benefits
Amendments to MFRS 127	Separate Financial Statements
Amendments to MFRS 134	Interim Financial Reporting

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

A1.1 MFRS and Amendments Issued But Not Yet Effective

The Group has not applied the following new MFRS and amendments to MFRS set out below, that have been issued which are relevant to the Group but not yet effective for the current accounting period.

		Effective for annual periods beginning on or after
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 15	Clarifications to Revenue from Contracts with Customers	1 January 2018
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019

In addition to the above, MASB has also issued the amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, which are effective from annual periods beginning on or after 1 January 2016. However, on 31 December 2015, MASB announced the deferment of the mandatory effective date of these amendments. The Group will apply these amendments when they become applicable.

The Group does not expect any significant impact on its financial statements or position from the adoption of these new MFRS and amendments to MFRS.

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016**

NOTES PURSUANT TO MFRS 134

A2 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 30 September 2016.

A3 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 30 September 2016.

A4 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 third quarter ended 30 September 2016.

A5 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 30 September 2016.

A6 Dividends Paid

A final single tier dividend of 11% or 11 sen per share for the financial year ended 31 December 2015 amounting to RM48.400 million was paid on 30 June 2016. An interim single tier dividend of 3% or 3 sen per share amounting to RM13.200 million for the year ended 31 December 2015 was paid on 17 November 2015.

A7 Segmental Reporting

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

For the period ended 30 September 2016 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment Revenue					
Revenue from external customers	367,481	18,934	2,682	-	389,097
Inter-segment revenue	-	1,581	2,159	(3,740)	-
Total revenue	367,481	20,515	4,841	(3,740)	389,097
Segment Results					
Operating profit	77,148	11,990	1,170	(2,282)	88,026
Interest expense	(2,877)	-	(1,919)	2,874	(1,922)
Interest income	5,589	279	42	(2,874)	3,036
Share of results of associated companies	4,941	-	-	-	4,941
Profit before tax	84,801	12,269	(707)	(2,282)	94,081

As at 30 September 2016 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets					
Segment assets	1,136,990	312,890	13,893	(267,496)	1,196,277
Interest in associates	246,559	-	-	-	246,559
Total assets	1,383,549	312,890	13,893	(267,496)	1,442,836

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

NOTES PURSUANT TO MFRS 134

A8 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 30 September 2016 and the date of this report that would materially affect the results of the Group for the financial period ended 30 September 2016.

A9 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 30 September 2016.

A10 Changes in Contingent Liabilities or Contingent Assets

There have been no changes in the contingent liabilities or assets of the Group since the last annual balance sheet date as at 31 December 2015 to the date of this report.

A11 Capital Commitments

Capital commitments for property, plant and equipment and investment properties not provided for as at 30 September 2016 are as follows:-

	RM'000
Authorised and contracted for	49,434
Authorised but not contracted for	57,242
	106,676

A12 Related Party Transactions

9 months ended 30.9.2016
RM'000

Transactions with subsidiaries of the ultimate holding company

Payment of management, marketing and reservation fees to Shangri-La International Hotel Management Ltd and Shangri-La International Hotel Management Pte Ltd, wholly-owned subsidiaries of Shangri-La Asia Limited	12,188
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Transactions with corporations in which Mdm Kuok Oon Kwong, Director of the Company, has direct or indirect financial interests

Office rental income received from Kuok Brothers Sdn Bhd, PPB Group Berhad, PPB Oil Palms Berhad, PGEO Marketing Sdn Bhd, Chemquest Sdn Bhd and Southern Marina Development Sdn Bhd	2,019
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Transactions with associates of the Group

Additional loans advanced by Madarac Corporation, the Group's wholly-owned subsidiary incorporated in the British Virgin Islands to its associated companies in Myanmar	24,484
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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

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

B1 Review of Group Results Nine Months 2016 vs Nine Months 2015

The Group's revenue in the nine months ended 30 September 2016 increased by 6% to RM389.097 million, compared with RM366.301 million for the same period in 2015.

Group net profit attributable to shareholders for the nine months was RM64.922 million, down 22% from RM83.104 million in 2015, largely the result of a negative currency impact on the translation of the Group's US dollar-denominated loans to its associates in Myanmar.

A weakening of the US dollar against the ringgit during the period gave rise to a net unrealised exchange translation loss of RM3.760 million, as compared to a net gain of RM21.043 million for the first nine months of 2015.

Excluding currency translation effects, Group net profit for the first nine months of 2016 was RM68.682 million, an increase of 11% on 2015, underpinned by improved contributions from the Group's resorts in Sabah and Penang.

Revenue for Rasa Ria Resort in the nine months was up by 14% to RM101.085 million, with pre-tax profit growing by 43% over the prior year period to RM31.520 million. A rise in visitor arrivals from its key markets contributed to an improvement in occupancy to 72%, compared with 67% in 2015.

At Rasa Sayang Resort, a good pick up in leisure demand drove a 14% growth in revenue to RM63.375 million, and pre-tax profit improved by 24% compared with the first nine months last year, to RM14.097 million. The resort achieved a higher occupancy of 76% against 65% in 2015.

Golden Sands Resort also performed well in the period, delivering an increase of 20% in revenue to RM45.356 million, with pre-tax profit up 38% on last year to RM12.664 million. The resort's occupancy rose from 67% in 2015 to 80%, boosted by a strong growth in demand from the domestic leisure segment.

Revenue at Shangri-La Hotel Kuala Lumpur during the first nine months of 2016 was slightly down by 1% to RM132.642 million, reflecting softer market conditions. This led to a 4% decrease in pre-tax profit over the previous year to RM30.791 million. The hotel's occupancy for the period remained stable at 69%.

The results for Hotel Jen Penang were affected by slower corporate business and the start of the renovation programme for all its guestrooms in July 2016. Overall revenue at the hotel fell by 18% to RM21.250 million, in response to a reduction in occupancy level to 59% versus 70% in 2015. The hotel made a loss of RM1.223 million, compared to a pre-tax profit of RM3.141 million for the nine-month period of 2015.

The investment properties of the Group recorded a 2% increase in combined rental revenue to RM20.515 million, with an improved net profit of RM9.531 million for the first nine months of 2016. Growth was driven by a better operating result at UBN Tower.

For the nine months to 30 September 2016, the Group's share of profits from its associated companies in Myanmar of RM4.941 million was lower than the RM5.705 million for the corresponding period in 2015, due to a drop in profit contribution from Sule Shangri-La Yangon, the Group's 23.5% associate hotel.

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

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

B2 Comparison of Group Results 3rd Quarter 2016 vs 2nd Quarter 2016

Group revenue for the third quarter to 30 September 2016 was RM142.266 million, up 28% from RM111.566 million in the second quarter ended 30 June 2016. In tandem, the Group's net profit in the third quarter 2016 increased by 86% to RM29.884 million from RM16.106 million for the second quarter 2016.

These results reflected stronger operating performances across most of the Group's hotel businesses during the third quarter, driven by healthy increases in occupancy and average room rates.

In the third quarter, Rasa Ria Resort grew occupancy to 81% from 62% for the second quarter 2016, and this generated a 57% rise in revenue to RM39.595 million. Both Rasa Sayang Resort and Golden Sands Resort also posted good growth in revenues over the second quarter 2016, on the back of buoyant leisure demand. At Rasa Sayang Resort, occupancy during the third quarter 2016 rose to 83% against 60%, while occupancy at Golden Sands Resort moved up to 93% from 69% in the second quarter 2016.

With the benefit of a higher level of rooms and food and beverage business, Shangri-La Hotel Kuala Lumpur also reported a 12% increase in revenue over the 2016 second quarter to RM46.315 million.

At Hotel Jen Penang, disruption due to its major rooms renovation that began in July 2016 led to a decline in overall revenue by 17% when compared to the second quarter of 2016.

The combined rental revenue from the Group's investment properties in Kuala Lumpur of RM6.749 million was 3% lower against the second quarter 2016.

B3 Prospects for 2016

While business travel remains soft, trends in the leisure markets are showing good momentum, and this should help the Group's resorts to drive further demand for the remainder of 2016.

The ongoing major renovation of the guestrooms at Hotel Jen Penang, together with the extensive renovations to Shangri-La Hotel Kuala Lumpur's ballroom and meeting facilities, as well as a full upgrade of its all-day dining café will have a dampening effect on the performances of these two hotels over the duration of their renovation periods, which will be completed in 2017.

As for the Group's investment properties, UBN Tower should see a stable performance through 2016, however, the outlook for UBN Apartments continues to be very challenging.

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016**

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

B4 Variance on Profit Forecast/Profit Guarantee

Not applicable.

B5 Taxation

The tax charge of the Group for the financial period under review is as follows:-

	3 months ended		9 months ended	
	30.9.2016 RM'000	30.9.2015 RM'000	30.9.2016 RM'000	30.9.2015 RM'000
Current taxation				
- Company and subsidiaries	8,553	6,587	19,250	18,030
Deferred taxation	1,481	835	5,437	3,734
(Over)/under provision in respect of prior years				
- Company and subsidiaries	(496)	28	(1,071)	18
	9,538	7,450	23,616	21,782

The overall effective rate of tax on profit before tax for the first nine months ended 30 September 2016 was 25%, slightly higher than the statutory tax rate of 24%. This was mainly due to the impact of the unrealised foreign exchange losses on the translation of the Group's US dollar-denominated loans to its associates in Myanmar, which are non-tax deductible.

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

Group borrowings as at 30 September 2016 were as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	-	-	-
Unsecured	160,097*	-	160,097
	160,097*	-	160,097

* Amounts drawdown comprised HKD42.8 million and USD15.193 million from two offshore banks in Labuan, and USD18.0 million from a local bank.

There were no debt securities in the financial period ended 30 September 2016.

B8 Financial Instruments

Derivatives

There were no outstanding derivative financial instruments as at 30 September 2016.

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 30 September 2016.

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

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

An interim single tier dividend of 3 sen or 3% per ordinary share in respect of the financial year ending 31 December 2016 was declared on 23 August 2016 and will be payable on Thursday, 17 November 2016.

B11 Earnings per Share

The basic earnings per ordinary share for the nine (9) months ended 30 September 2016 have been calculated as follows:-

	3 months ended		9 months ended	
	30.9.2016	30.9.2015	30.9.2016	30.9.2015
Profit attributable to shareholders of the Company (<i>RM'000</i>)	29,884	41,724	64,922	83,104
No. of ordinary shares in issue (<i>'000</i>)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (<i>sen</i>)	6.79	9.48	14.76	18.89

Diluted Earnings per Share

Not applicable.

B12 Realised and Unrealised Profits/Losses

	As at 30.9.2016 RM'000	As at 31.12.2015 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	526,792	511,220
- Unrealised	128,678	138,044
	655,470	649,264
Total share of accumulated losses in associated companies		
- Realised	(33,062)	(38,003)
- Unrealised	20,602	20,602
	643,010	631,863
Add : Consolidation adjustments	(152,324)	(144,499)
Total Group retained profits	490,686	487,364

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
(10889-U)
(Incorporated in Malaysia)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016

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

B13 Notes to the Statement of Comprehensive Income

	3 months ended		9 months ended	
	30.9.2016 RM'000	30.9.2015 RM'000	30.9.2016 RM'000	30.9.2015 RM'000
Net profit for the period is arrived at after charging:-				
Interest expense	(653)	(403)	(1,922)	(1,205)
Depreciation	(15,232)	(16,475)	(46,215)	(45,786)
Foreign exchange loss	(4,035)	(16,367)	(8,956)	(23,081)
Allowance for doubtful debts - trade receivables	(56)	(13)	(184)	(72)
and after crediting:-				
Interest income	1,009	314	3,036	1,050
Foreign exchange gain	6,424	31,120	5,196	44,124
Write back of allowance for doubtful debts - trade receivables	-	-	-	-

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 and exceptional items for the financial period ended 30 September 2016.

B14 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 2015.

By Order of the Board
Datin Rozina Mohd Amin
Company Secretary

Kuala Lumpur
10 November 2016