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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](http://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 director(s)

*Ms KUOK Hui Kwong (Chairman)*

*Mr LIM Beng Chee (CEO)*

*Mr LUI Man Shing*

Non-executive director(s)

*Mr HO Kian Guan (alternate – Mr HO Chung Tao)*

Independent non-executive director(s)

*Mr Alexander Reid HAMILTON*

*Professor LI Kwok Cheung Arthur*

*Dr LEE Kai-Fu*

*Mr YAP Chee Keong*

Hong Kong, 29 August 2018

# Quarterly rpt on consolidated results for the financial period ended 30 Jun 2018

## SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Financial Year End 31 Dec 2018

Quarter 2 Qtr

Quarterly report for the financial period ended 30 Jun 2018

The figures have not been audited

### Attachments

2nd Qtr 30 June 2018 Results.pdf  
860.2 kB

Default Currency | Other Currency | Currency: Malaysian Ringgit (MYR)

### SUMMARY OF KEY FINANCIAL INFORMATION 30 Jun 2018

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Jun 2018	30 Jun 2017	30 Jun 2018	30 Jun 2017
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	115,737	122,992	267,221	253,128
2 Profit/(loss) before tax	21,189	21,898	60,474	50,151
3 Profit/(loss) for the period	16,541	14,910	45,058	35,180
4 Profit/(loss) attributable to ordinary equity holders of the parent	14,974	13,284	40,519	32,687
5 Basic earnings/(loss) per share (Subunit)	3.40	3.02	9.21	7.43
6 Proposed/Declared dividend per share (Subunit)	3.00	3.00	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 (\$\$)		2.3841		2.4119

**Remarks :**

The Board has declared an interim single tier dividend of 3 sen or 3% per ordinary share in respect of the financial year ending 31 December 2018 (2017 interim single tier dividend : 3 sen or 3% per ordinary share). The interim dividend is payable on Friday, 23 November 2018.

The interim dividend will amount to RM13.200 million and will be reflected in the financial statements for the quarter ending 30 September 2018.

**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

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**Announcement Info**

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<b>Company Name</b>	SHANGRI-LA HOTELS (MALAYSIA) BERHAD
<b>Stock Name</b>	SHANG
<b>Date Announced</b>	29 Aug 2018
<b>Category</b>	Financial Results
<b>Reference Number</b>	FRA-29082018-00029

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018**

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

	3 months ended		6 months ended	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	115,737	122,992	267,221	253,128
Operating profit	21,048	21,889	59,682	48,497
Interest expense	(1,163)	(929)	(2,182)	(1,757)
Interest income	1,958	1,086	3,342	2,026
Share of results of associated companies	(654)	(148)	(368)	1,385
<b>Profit before tax</b>	<b>21,189</b>	<b>21,898</b>	<b>60,474</b>	<b>50,151</b>
Tax expense	(4,648)	(6,988)	(15,416)	(14,971)
<b>Profit for the period</b>	<b>16,541</b>	<b>14,910</b>	<b>45,058</b>	<b>35,180</b>
<u>Attributable to:</u>				
Shareholders of the Company	14,974	13,284	40,519	32,687
Non-controlling interests	1,567	1,626	4,539	2,493
	<b>16,541</b>	<b>14,910</b>	<b>45,058</b>	<b>35,180</b>
Basic Earnings per Ordinary Share (sen)	3.40	3.02	9.21	7.43
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 2017)*

NA - not applicable

**SHANGRI-LA HOTELS (MALAYSIA) BERHAD**  
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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 months ended		6 months ended	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	RM'000	RM'000	RM'000	RM'000
Profit for the period	16,541	14,910	45,058	35,180
<b><u>Other comprehensive income/(expense)</u></b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of financial statements of overseas associates	(866)	457	40	687
<b>Total comprehensive income for the period</b>	<b>15,675</b>	<b>15,367</b>	<b>45,098</b>	<b>35,867</b>
<b><u>Attributable to:</u></b>				
Shareholders of the Company	14,108	13,741	40,559	33,374
Non-controlling interests	1,567	1,626	4,539	2,493
	<b>15,675</b>	<b>15,367</b>	<b>45,098</b>	<b>35,867</b>

*(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017)*

**SHANGRI-LA HOTELS (MALAYSIA) BERHAD**  
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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30.6.2018 RM'000	As at 31.12.2017 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	716,884	734,645
Investment properties	288,180	288,180
Interest in associates	217,740	218,657
Property development expenditure	12,286	12,286
Deferred tax assets	8,440	9,035
	<u>1,243,530</u>	<u>1,262,803</u>
<b>Current assets</b>		
Inventories	4,826	5,343
Trade and other receivables, prepayments and deposits	31,623	35,201
Tax recoverable	5,637	6,596
Short-term fund placements	159,555	-
Cash and bank balances	71,253	175,555
	<u>272,894</u>	<u>222,695</u>
<b>Total assets</b>	<u>1,516,424</u>	<u>1,485,498</u>
<b>EQUITY</b>		
<b>Capital and reserves</b>		
Share capital	544,501	544,501
Reserves	504,513	516,754
<b>Total equity attributable to shareholders of the Company</b>	<u>1,049,014</u>	<u>1,061,255</u>
Non-controlling interests	128,229	123,690
<b>Total equity</b>	<u>1,177,243</u>	<u>1,184,945</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Retirement benefits	24,249	23,152
Deferred tax liabilities	19,756	19,884
	<u>44,005</u>	<u>43,036</u>
<b>Current liabilities</b>		
Trade and other payables and accruals	72,435	106,060
Contract liabilities	14,497	-
Short-term borrowings	151,059	149,262
Current tax liabilities	4,385	2,195
Dividend payable	52,800	-
	<u>295,176</u>	<u>257,517</u>
<b>Total liabilities</b>	<u>339,181</u>	<u>300,553</u>
<b>Total equity and liabilities</b>	<u>1,516,424</u>	<u>1,485,498</u>
Net Assets per Ordinary Share (RM) Attributable to Shareholders of the Company	2.38	2.41

*(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017)*

**SHANGRI-LA HOTELS (MALAYSIA) BERHAD**  
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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the 6 months ended 30 June 2018**

<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	Exchange Translation Reserve	Retained earnings			
	← Non-distributable		→ Distributable →				
<b>Balance at 1 January 2017</b>	440,000	104,501	(1,859)	506,109	1,048,751	113,868	1,162,619
Net profit for the period	-	-	-	32,687	32,687	2,493	35,180
Foreign currency translation differences	-	-	687	-	687	-	687
<b>Total comprehensive income for the period</b>	-	-	687	32,687	33,374	2,493	35,867
Transfer pursuant to Companies Act 2016 (note a)	104,501	(104,501)	-	-	-	-	-
Dividends							
- Final dividend for the financial year ended 31.12.2016 paid on 30.6.2017	-	-	-	(48,400)	(48,400)	-	(48,400)
<b>Balance at 30 June 2017</b>	544,501	-	(1,172)	490,396	1,033,725	116,361	1,150,086
<b>Balance at 1 January 2018</b>	544,501	-	47	516,707	1,061,255	123,690	1,184,945
Net profit for the period	-	-	-	40,519	40,519	4,539	45,058
Foreign currency translation differences	-	-	40	-	40	-	40
<b>Total comprehensive income for the period</b>	-	-	40	40,519	40,559	4,539	45,098
Dividends							
- Final dividend for the financial year ended 31.12.2017 payable on 2.7.2018	-	-	-	(52,800)	(52,800)	-	(52,800)
<b>Balance at 30 June 2018</b>	544,501	-	87	504,426	1,049,014	128,229	1,177,243

**Note a**

Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, during 2017, the Company transferred the credit standing in the share premium account of RM104.501 million to the share capital account pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any members of the Company as a result of this transition.

*(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 2017)*

**SHANGRI-LA HOTELS (MALAYSIA) BERHAD**  
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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**For the 6 months ended 30 June 2018**

	30.6.2018	30.6.2017
	RM'000	RM'000
<b>Profit before tax</b>	60,474	50,151
<b>Adjustments for non-cash flow:-</b>		
Non-cash items	33,573	36,864
Non-operating items	(1,160)	(269)
<b>Operating profit before changes in working capital</b>	<b>92,887</b>	<b>86,746</b>
<b>Changes in working capital</b>		
Net change in current assets	4,095	2,214
Net change in current liabilities	(19,128)	(4,648)
<b>Cash generated from operations</b>	<b>77,854</b>	<b>84,312</b>
Income taxes paid	(11,800)	(14,618)
Retirement benefits paid	(152)	(225)
<b>Net cash inflow from operating activities</b>	<b>65,902</b>	<b>69,469</b>
<b>Investing activities</b>		
Interest income received	3,342	2,026
Purchase of property, plant and equipment	(14,015)	(61,226)
Short-term bank deposits with original maturities over 3 months	44,840	46,440
<b>Net cash inflow/(outflow) from investing activities</b>	<b>34,167</b>	<b>(12,760)</b>
<b>Financing activities</b>		
Dividends paid to shareholders of the Company	-	(48,400)
Drawdown of borrowings	2,206	1,664
Interest expense paid	(2,182)	(1,757)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>24</b>	<b>(48,493)</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>100,093</b>	<b>8,216</b>
Cash & cash equivalents at beginning of the year	130,715	96,328
<b>Cash &amp; cash equivalents at end of financial period</b>	<b>230,808</b>	<b>104,544</b>
Short-term bank deposits with original maturities over 3 months	-	-
<b>Short-term fund placements and cash and bank balances in the statement of financial position</b>	<b>230,808</b>	<b>104,544</b>

*(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017)*



**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018**

**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 2017. These condensed consolidated interim financial statements also comply with IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board ("IASB").

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2017, except for the adoption of the following new standards, amendments to Malaysian Financial Reporting Standards ("MFRSs") and interpretation, which are effective from 1 January 2018.

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 15	Clarifications to Revenue from Contracts with Customers
Amendments to MFRS 128	Investments in Associates and Joint Ventures
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

The adoption of the above new standards, amendments to MFRSs and interpretation did not have any significant impact on the financial statements or position of the Group.

**A1.1 New Standards, Amendments and Interpretations Issued But Not Yet Effective**

A number of new standards, amendments to MFRSs and interpretations, which are effective for accounting periods after 2018, have been issued by the Malaysian Accounting Standards Board ("MASB") and relevant to the Group's operations. These will be adopted by the Group from their effective dates as set out below.

		Effective for annual periods beginning on or after
MFRS 16	Leases	1 January 2019
Amendments to MFRS 3	Business Combinations	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 112	Income Taxes	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 123	Borrowing Costs	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 2	Share-Based Payment	1 January 2020
Amendments to MFRS 3	Business Combinations	1 January 2020
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134	Interim Financial Reporting	1 January 2020
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2020

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018**

**NOTES PURSUANT TO MFRS 134**

**A1.1 New Standards, Amendments and Interpretations Issued But Not Yet Effective (cont'd)**

The implications of the new standards, amendments to MFRSs and interpretations are currently under review. Based on the assessments undertaken to date, the Group has identified that the adoption of MFRS 16 may have a potential impact on the Group's consolidated financial statements. Apart from MFRS 16, the rest of the amendments to MFRSs and interpretations are not expected to have a material effect on the Group.

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. Subsequently, MASB announced in December 2015 the deferment of the mandatory effective date of these amendments. The Group will apply these amendments when they become applicable.

**MFRS 16 – Leases (effective 1 January 2019)**

MFRS 16 eliminates the distinction between operating and finance leases, and introduces a single lessee accounting model. The new lease model requires a lessee to recognise in the statement of financial position a right-of-use asset (the right to use the underlying leased asset) and a lease liability (the obligation to pay rentals), unless the underlying asset has a low value or the lease term is 12 months or less.

The accounting for lessors will not change significantly. MFRS 16 will affect primarily the accounting for the Group's operating leases.

The Group continues to assess the impact of MFRS 16 and anticipates concluding its detailed review before the end of this financial year.

**A2 Revenue**

The disaggregation of the Group's revenue by major goods and service lines is set out below.

For the period ended 30 June 2018 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Total
<b><u>Major Goods/Service Lines</u></b>				
Revenue from rooms	146,681	-	-	146,681
Food and beverage sales	94,710	-	-	94,710
Rendering of ancillary services	9,861	-	-	9,861
Golf operations	1,824	-	-	1,824
Property rentals	-	12,331	-	12,331
Laundry services	-	-	1,814	1,814
<b>Total revenue</b>	<b>253,076</b>	<b>12,331</b>	<b>1,814</b>	<b>267,221</b>

For the period ended 30 June 2017 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Total
<b><u>Major Goods/Service Lines</u></b>				
Revenue from rooms	139,314	-	-	139,314
Food and beverage sales	86,914	-	-	86,914
Rendering of ancillary services	10,659	-	-	10,659
Golf operations	1,842	-	-	1,842
Property rentals	-	12,581	-	12,581
Laundry services	-	-	1,818	1,818
<b>Total revenue</b>	<b>238,729</b>	<b>12,581</b>	<b>1,818</b>	<b>253,128</b>

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018

**NOTES PURSUANT TO MFRS 134**

**A3 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 June 2018.

**A4 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 June 2018.

**A5 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 second quarter ended 30 June 2018.

**A6 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 June 2018.

**A7 Dividends Paid**

There was no dividend paid during the financial period ended 30 June 2018.

**A8 Segmental Reporting**

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

For the period ended 30 June 2018 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
<b>Segment Revenue</b>					
Revenue from external customers	253,076	12,331	1,814	-	267,221
Inter-segment revenue	-	1,141	1,420	(2,561)	-
<b>Total revenue</b>	<b>253,076</b>	<b>13,472</b>	<b>3,234</b>	<b>(2,561)</b>	<b>267,221</b>
<b>Segment Results</b>					
Operating profit	52,679	8,095	429	(1,521)	59,682
Interest expense	(2,308)	-	(2,182)	2,308	(2,182)
Interest income	5,367	224	59	(2,308)	3,342
Share of results of associated companies	(2,225)	1,857	-	-	(368)
<b>Profit before tax</b>	<b>53,513</b>	<b>10,176</b>	<b>(1,694)</b>	<b>(1,521)</b>	<b>60,474</b>
<b>As at 30 June 2018</b> (All figures in RM'000)					
	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets	1,181,046	312,334	14,574	(209,270)	1,298,684
Interest in associates	8,700	209,040	-	-	217,740
<b>Total assets</b>	<b>1,189,746</b>	<b>521,374</b>	<b>14,574</b>	<b>(209,270)</b>	<b>1,516,424</b>

**A9 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 June 2018 and the date of this report that would materially affect the results of the Group for the financial period ended 30 June 2018.

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018**

**NOTES PURSUANT TO MFRS 134**

**A10 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the financial period ended 30 June 2018.

**A11 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 2017 to the date of this report.

**A12 Capital Commitments**

Capital commitments for property, plant and equipment and investment properties not provided for as at 30 June 2018 are as follows:-

	RM'000
Authorised and contracted for	11,251
Authorised but not contracted for	44,845
	56,096

**A13 Related Party Transactions**

6 months ended 30.6.2018

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

9,394

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018

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

**B1 Review of Group Results 1st Half 2018 vs 1st Half 2017**

For the six months to 30 June 2018, Group revenue rose by 6% to RM267.221 million from RM253.128 million for the same period in 2017. Group net profit attributable to shareholders for the six months was RM40.519 million, up 24% as compared to RM32.687 million the previous year.

The Group's financial performance for the first half year was underpinned by improved contributions from Shangri-La Hotel Kuala Lumpur and Hotel Jen Penang, and was further boosted by a lower net unrealised foreign exchange translation loss on the Group's US dollar loans to its associates in Myanmar.

Overall revenue for Shangri-La Hotel Kuala Lumpur in the first half 2018 increased by 10% to RM90.533 million, buoyed by a healthy growth in food and beverage business from its fully renovated banqueting facilities and all-day dining restaurant. The hotel achieved a pre-tax profit of RM20.871 million, 38% more than the first six months of 2017. Occupancy of the hotel for the period edged up to 66% from 65% the previous year.

At Hotel Jen Penang, revenue grew by 55% to RM20.945 million, compared with the first half 2017 when the hotel's operations were disrupted by the renovation work to its guestrooms. The hotel posted a pre-tax profit of RM2.493 million versus a loss of RM3.630 million in the first half 2017, which included asset write-offs related to the renovation. A healthy upturn in corporate demand drove occupancy up to 77% from 55% in 2017.

In the half year, revenue from Rasa Ria Resort remained largely flat at RM68.785 million, as despite higher rooms revenue there was a reduction in food and beverage business. The resort's pre-tax profit was RM20.573 million, a decrease of 5% against the first half 2017. Occupancy at the resort for the period was 71%.

Revenue for Rasa Sayang Resort in the first half 2018 fell by 2% to RM42.313 million, reflecting the combined impact of a reduced occupancy level of 74% and lower food and beverage sales. The resort's pre-tax profit of RM9.206 million was 17% down on the prior year period.

Golden Sands Resort saw revenue decline by 4% during the first half 2018 to RM27.821 million, mostly due to a dip in contribution from its food and beverage operations, with pre-tax profit decreasing by 12% from the first half last year to RM6.182 million. The resort's occupancy rate stood at 76% for the six-month period of 2018.

The Group's investment properties in Kuala Lumpur reported a lower combined rental revenue of RM13.472 million for the first half 2018 as a result of softer occupancy rates, while their pre-tax profit dropped from RM8.514 million in the half year 2017 to RM8.319 million.

For the half year ended 30 June 2018, the Group's share of results from its associates in Myanmar was a loss of RM0.368 million, compared with a profit of RM1.385 million in the same period last year. This was attributed to a decline in the operating performances of Sule Shangri-La Yangon and the Shangri-La serviced apartments owing to continued weak market conditions.

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018

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

**B2 Comparison of Group Results 2nd Quarter 2018 vs 1st Quarter 2018**

The Group's revenue for the second quarter ended 30 June 2018 was down by 24% to RM115.737 million, compared with the first quarter ended 31 March 2018. Group net profit for the second quarter 2018 fell correspondingly to RM14.974 million from RM25.545 million in the first quarter 2018.

The second quarter results reflected the lower operating performances across most of the Group's hotel operations, as a result of decreases in occupancies and average room rates.

During the quarter, Rasa Ria Resort witnessed a shortfall in visitor arrivals from its key markets, with decreased occupancy of 61% leading to a 31% fall in revenue from the first quarter 2018 to RM28.154 million. At Rasa Sayang Resort, slower leisure demand resulted in a weaker occupancy level of 61%, with revenue down by 39% on the first quarter 2018. Likewise, overall revenue from Golden Sands Resort declined by 25% against the first quarter 2018 owing to a drop in occupancy from 84% to 69%. In addition, Shangri-La Hotel Kuala Lumpur also saw its revenue slip by 19% when compared to the first quarter 2018 in line with lower business levels both in rooms and in food and beverage operations.

Hotel Jen Penang, on the other hand delivered a growth of 12% in revenue over the first quarter 2018 to RM11.058 million, benefiting from an improvement in occupancy from 75% to 80%.

The Group's investment properties reported a small decrease in combined rental revenue to RM6.703 million from RM6.769 million in the first quarter 2018.

**B3 Prospects for 2018**

The operating environment for the Group's hotels and resorts as a whole for the second half of 2018 is expected to stay broadly positive, supported by continuing trends in both the leisure and business travel markets.

For the Group's investment properties, UBN Tower should see the prime office rental market in Kuala Lumpur remain fairly steady over the course of 2018, while the performance of UBN Apartments will continue to be sluggish in a challenging market.

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018

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		6 months ended	
	30.6.2018 RM'000	30.6.2017 RM'000	30.6.2018 RM'000	30.6.2017 RM'000
Current taxation				
- Company and subsidiaries	4,543	6,223	14,944	12,744
Deferred taxation	100	699	467	2,161
(Over)/under provision in respect of prior years				
- Company and subsidiaries	5	66	5	66
	4,648	6,988	15,416	14,971

The Group recorded an effective tax rate of 25% for the first half year ended 30 June 2018. This was higher compared with the statutory tax rate of 24% largely because the net losses incurred by certain subsidiaries of the Group during the six-month period in 2018 cannot be used to offset the taxable profits of other subsidiaries.

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**

The Group's total borrowings as at 30 June 2018 were RM151.059 million, compared with RM168.478 million at 30 June 2017.

<i>(All figures in RM'000)</i>	As at 30 June 2018	As at 30 June 2017
<u>Secured</u>		
Short Term	-	-
Long Term	-	-
	-	-
<u>Unsecured</u>		
Short Term	151,059 *	168,478 **
Long Term	-	-
<b>Total</b>	151,059	168,478

\* Amounts drawdown as at 30 June 2018 comprised HKD42.8 million and USD14.460 million from two offshore banks in Labuan, and USD17.5 million from a local bank.

\*\* Amounts drawdown as at 30 June 2017 comprised HKD42.8 million and USD15.753 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 June 2018.

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018**

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

**B8 Financial Instruments**

**Derivatives**

There were no outstanding derivative financial instruments as at 30 June 2018.

**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 June 2018.

**B9 Changes in Material Litigation**

There was no material litigation pending as at the date of this report.

**B10 Dividend**

The Board has declared an interim single tier dividend of 3 sen or 3% per ordinary share in respect of the financial year ending 31 December 2018 (2017 interim single tier dividend : 3 sen or 3% per ordinary share). The interim dividend is payable on Friday, 23 November 2018.

NOTICE IS HEREBY GIVEN that the interim dividend will be paid to shareholders whose names appear in the Record of Depositors on Friday, 2 November 2018.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- (i) Shares transferred into the Depositor's securities account before 4.00 p.m. on Friday, 2 November 2018 in respect of transfers.
- (ii) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

**B11 Earnings per Share**

The basic earnings per ordinary share for the six (6) months ended 30 June 2018 have been calculated as follows:-

	3 months ended		6 months ended	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
Profit attributable to shareholders of the Company (RM'000)	14,974	13,284	40,519	32,687
No. of ordinary shares in issue ('000)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (sen)	3.40	3.02	9.21	7.43

**Diluted Earnings per Share**

Not applicable.



ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2018

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

**B12 Notes to the Statement of Comprehensive Income**

	3 months ended		6 months ended	
	30.6.2018 RM'000	30.6.2017 RM'000	30.6.2018 RM'000	30.6.2017 RM'000
<b>Net profit for the period is arrived at after charging:-</b>				
Interest expense	(1,163)	(929)	(2,182)	(1,757)
Depreciation	(15,821)	(16,000)	(31,658)	(31,120)
Foreign exchange loss	(6,503)	(7,969)	(589)	(11,860)
Allowance for doubtful debts - trade receivables	(126)	-	(112)	-
<b>and after crediting:-</b>				
Interest income	1,958	1,086	3,342	2,026
Foreign exchange gain	10,286	5,152	409	7,655
Write back of allowance for doubtful debts - trade receivables	-	15	-	73

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 June 2018.

**B13 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 2017.

**By Order of the Board**

**Datin Rozina Mohd Amin**  
Company Secretary

**Kuala Lumpur**  
29 August 2018

# Interim Dividend

## SHANGRI-LA HOTELS (MALAYSIA) BERHAD

EX-date	31 Oct 2018
Entitlement date	02 Nov 2018
Entitlement time	05:00 PM
Entitlement subject	Interim Dividend
Entitlement description	Interim single tier dividend of 3 sen per ordinary share
Period of interest payment	to
Financial Year End	31 Dec 2018
Share transfer book & register of members will be	to closed from (both dates inclusive) for the purpose of determining the entitlement
Registrar or Service Provider name, address, telephone no	PPB CORPORATE SERVICES SDN BHD 12th Floor, UBN Tower 10 Jalan P Ramlee 50250 Kuala Lumpur Tel: 03-2726 0088 Fax: 03-2726 0099
Payment date	23 Nov 2018
a. Securities transferred into the Depositor's Securities Account before 4:00 pm in respect of transfers	02 Nov 2018
b. Securities deposited into the Depositor's Securities Account before 12:30 pm in respect of securities exempted from mandatory deposit	
c. Securities bought on the Exchange on a cum entitlement basis according to the Rules of the Exchange.	
Number of new shares/securities issued (units) (If applicable)	
Entitlement indicator	Currency
Currency	Malaysian Ringgit (MYR)
Entitlement in Currency	0.03
Par Value (if applicable)	

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### Announcement Info

Company Name	SHANGRI-LA HOTELS (MALAYSIA) BERHAD
Stock Name	SHANG
Date Announced	29 Aug 2018
Category	Entitlement(Notice of Book Closure)
Reference Number	ENT-24082018-00004