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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)

Mr LUI Man Shing

Mr Madhu Rama Chandra RAO

Mr Gregory Allan DOGAN

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

Ms KUOK Hui Kwong

Mr HO Kian Hock (alternate to Mr HO Kian Guan)

Hong Kong, 24 February 2016

Quarterly rpt on consolidated results for the financial period ended 31 Dec 2015

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Financial Year End 31 Dec 2015
 Quarter 4 Qtr
 Quarterly report for the financial period ended 31 Dec 2015
 The figures have been audited

Attachments

4th Qtr 31 December 2015 Results.pdf
 540.2 kB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION
 31 Dec 2015

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	133,952	125,050	500,253	513,679
2 Profit/(loss) before tax	43,951	17,676	153,641	119,497
3 Profit/(loss) for the period	50,358	9,186	138,266	85,792
4 Profit/(loss) attributable to ordinary equity holders of the parent	46,582	9,952	129,686	79,340
5 Basic earnings/(loss) per share (Subunit)	10.59	2.26	29.47	18.03
6 Proposed/Declared dividend per share (Subunit)	11.00	9.00	14.00	12.00
	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 (\$\$)		2.3451		2.1704

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	24 Feb 2016
Category	Financial Results
Reference Number	FRA-24022016-00041

1

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

(10889-U)

(Incorporated in Malaysia)

**ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015**

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

AUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		12 months ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Revenue	133,952	125,050	500,253	513,679
Operating profit	22,090	21,385	126,230	120,473
Interest expense	(462)	(547)	(1,667)	(2,092)
Interest income	609	477	1,659	2,438
Share of results of associated companies	21,714	(3,639)	27,419	(1,322)
Profit before tax	43,951	17,676	153,641	119,497
Tax expense	6,407	(8,490)	(15,375)	(33,705)
Profit for the period/year	50,358	9,186	138,266	85,792
<u>Attributable to:</u>				
Shareholders of the Company	46,582	9,952	129,686	79,340
Non-controlling interests	3,776	(766)	8,580	6,452
	50,358	9,186	138,266	85,792
Basic Earnings per Ordinary Share (sen)	10.59	2.26	29.47	18.03
Diluted Earnings per Ordinary Share (sen)	NA	NA	NA	NA

(The audited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014)

NA - not applicable

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

ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

AUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year	50,358	9,186	138,266	85,792
Other comprehensive income/(expense) for the period/year	-	-	-	-
Total comprehensive income for the period/year	50,358	9,186	138,266	85,792
<u>Attributable to:</u>				
Shareholders of the Company	46,582	9,952	129,686	79,340
Non-controlling interests	3,776	(766)	8,580	6,452
	50,358	9,186	138,266	85,792

(The audited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014)

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

ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

AUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2015 RM'000	As at 31.12.2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	746,294	757,829
Investment properties	287,980	285,630
Interest in associates	226,090	128,484
Property development expenditure	12,286	12,286
Deferred tax assets	5,189	-
	<u>1,277,839</u>	<u>1,184,229</u>
Current assets		
Inventories	8,242	8,527
Trade and other receivables, prepayments and deposits	32,327	26,563
Tax recoverable	4,552	3,062
Cash and cash equivalents	97,200	56,595
	<u>142,321</u>	<u>94,747</u>
Total assets	<u>1,420,160</u>	<u>1,278,976</u>
EQUITY		
Capital and reserves		
Share capital	440,000	440,000
Reserves	591,865	514,979
Total equity attributable to shareholders of the Company	<u>1,031,865</u>	<u>954,979</u>
Non-controlling interests	108,044	100,164
Total equity	<u>1,139,909</u>	<u>1,055,143</u>
LIABILITIES		
Non-current liabilities		
Retirement benefits	21,322	19,676
Deferred tax liabilities	18,334	21,932
	<u>39,656</u>	<u>41,608</u>
Current liabilities		
Trade and other payables and accruals	100,351	96,125
Short-term borrowings	138,917	85,806
Current tax liabilities	1,327	294
Dividend payable	-	-
	<u>240,595</u>	<u>182,225</u>
Total liabilities	<u>280,251</u>	<u>223,833</u>
Total equity and liabilities	<u>1,420,160</u>	<u>1,278,976</u>
Net Assets per Ordinary Share (RM) Attributable to Shareholders of the Company	2.35	2.17

(The audited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014)

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

**ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015**

AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015

<i>All figures in RM'000</i>	Attributable to Shareholders of the Company			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 2014	440,000	104,501	410,338	954,839	94,712	1,049,551
Net profit for the year	-	-	79,340	79,340	6,452	85,792
Other comprehensive income/(expense) for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	79,340	79,340	6,452	85,792
Dividends						
- Final and special dividends for the financial year ended 31.12.2013 paid on 30.6.2014	-	-	(66,000)	(66,000)	-	(66,000)
- Interim dividend for the financial year ended 31.12.2014 paid on 14.11.2014	-	-	(13,200)	(13,200)	-	(13,200)
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	(1,000)	(1,000)
Balance at 31 December 2014	440,000	104,501	410,478	954,979	100,164	1,055,143
Balance at 1 January 2015	440,000	104,501	410,478	954,979	100,164	1,055,143
Net profit for the year	-	-	129,686	129,686	8,580	138,266
Other comprehensive income/(expense) for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	129,686	129,686	8,580	138,266
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)
Dividend payable to non-controlling interests of a subsidiary	-	-	-	-	(700)	(700)
Balance at 31 December 2015	440,000	104,501	487,364	1,031,865	108,044	1,139,909

(The audited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014)

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

ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

AUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2015

	31.12.2015	31.12.2014
	RM'000	RM'000
Profit before tax	153,641	119,497
Adjustments for non-cash flow:-		
Non-cash items	18,589	52,104
Non-operating items	8	(346)
Operating profit before changes in working capital	172,238	171,255
Changes in working capital		
Net change in current assets	(5,535)	984
Net change in current liabilities	4,526	10,048
Cash generated from operations	171,229	182,287
Income taxes paid	(24,619)	(32,347)
Retirement benefits paid	(583)	(262)
Net cash inflow from operating activities	146,027	149,678
Investing activities		
Interest income received	1,659	2,438
Purchase of property, plant and equipment	(52,368)	(106,205)
Additions to investment properties	(550)	(2,729)
Net cash outflow from investing activities	(51,259)	(106,496)
Financing activities		
Dividends paid to shareholders of the Company	(52,800)	(79,200)
Dividend paid to non-controlling shareholder of a subsidiary	(1,000)	(1,000)
Drawdown of bank borrowings	47,918	28,449
Repayment of bank borrowings	(15,384)	(60,190)
Interest expense paid	(1,667)	(2,092)
Advances to associates	(46,770)	(26,643)
Repayment of loans by associates	15,540	60,370
Net cash outflow from financing activities	(54,163)	(80,306)
Net increase/(decrease) in cash & cash equivalents	40,605	(37,124)
Cash & cash equivalents at beginning of the year	56,595	93,719
Cash & cash equivalents at end of financial year	97,200	56,595
Cash and cash equivalents at end of financial year	97,200	56,595
Bank overdraft at end of financial year	-	-
Cash & cash equivalents in the statement of financial position	97,200	56,595

(The audited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2014)

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

ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

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 2014. 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 2014.

The Group has adopted the following amendments to Malaysian Financial Reporting Standards (“MFRS”) that are relevant and effective for annual periods beginning on or after 1 January 2015.

Amendments to MFRS 3	Business Combinations
Amendments to MFRS 8	Operating Segments
Amendments to MFRS 13	Fair Value Measurement
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 119	Employee Benefits
Amendments to MFRS 124	Related Party Disclosures
Amendments to MFRS 140	Investment Property

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 adopted the following new MFRS and amendments to MFRS, that have been issued which are relevant to the Group but not yet effective:-

		Effective for annual periods beginning on or after
Amendments to MFRS 7	Financial Instruments: Disclosures	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 119	Employee Benefits	1 January 2016
Amendments to MFRS 127	Separate Financial Statements	1 January 2016
Amendments to MFRS 134	Interim Financial Reporting	1 January 2016
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

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 adoption of these new MFRS and amendments to MFRS are not expected to have any significant impact on the financial statements of the Group.

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

ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

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 year ended 31 December 2015.

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 year ended 31 December 2015.

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 fourth quarter ended 31 December 2015.

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 year ended 31 December 2015.

A6 Dividends Paid

A final single tier dividend of 9% or 9 sen per share for the financial year ended 31 December 2014 amounting to RM39.600 million was paid on 30 June 2015. 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 year ended 31 December 2015 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment Revenue					
Revenue from external customers	472,249	24,901	3,103	-	500,253
Inter-segment revenue	36,550	2,073	2,759	(41,382)	-
Total revenue	508,799	26,974	5,862	(41,382)	500,253
Segment Results					
Operating profit	150,220	17,439	(1,837)	(39,592)	126,230
Interest expense	(2,498)	-	(1,661)	2,492	(1,667)
Interest income	3,766	354	31	(2,492)	1,659
Share of results of associated companies	27,419	-	-	-	27,419
Profit before tax	178,907	17,793	(3,467)	(39,592)	153,641
As at 31 December 2015 <i>(All figures in RM'000)</i>					
Segment assets	1,128,619	312,161	13,273	(259,983)	1,194,070
Interest in associates	226,090	-	-	-	226,090
Total assets	1,354,709	312,161	13,273	(259,983)	1,420,160

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
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ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

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 31 December 2015 and the date of this report that would materially affect the results of the Group for the financial year ended 31 December 2015.

A9 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial year ended 31 December 2015.

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 2014 to the date of this report.

A11 Capital Commitments

Capital commitments for property, plant and equipment and investment properties not provided for as at 31 December 2015 are as follows:-

	RM'000
Authorised and contracted for	4,015
Authorised but not contracted for	115,996
	120,011

A12 Related Party Transactions

12 months ended 31.12.2015
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	15,598
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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	2,692
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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, net of loan repayments	31,230
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SHANGRI-LA HOTELS (MALAYSIA) BERHAD
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ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

B1 Review of Group Results Full Year 2015 vs Full Year 2014

During the twelve months to 31 December 2015, Group revenue decreased by 3% to RM500.253 million, compared with RM513.679 million in 2014.

Notwithstanding, Group pre-tax profit for the full year rose by 29% to RM153.641 million from RM119.497 million in 2014.

The Group's net profit attributable to shareholders for 2015 was RM129.686 million, an increase of 63% from RM79.340 million in the previous year. The 2015 result included non-operating items, which in aggregate amounted to a net gain of RM20.771 million, compared with a net charge of RM7.787 million for 2014. The non-operating items in 2015 consisted of :-

- a net fair value gain of RM1.711 million on the Group's investment properties in Kuala Lumpur.
- the Group's share of a net fair value gain of RM6.042 million from the year-end revaluation of the Shangri-La Serviced Apartments held by Shangri-La Yangon Company Ltd ("SYCL"), a 22.22% associate.
- the Group's share of a net fair value gain of RM13.018 million on the valuation of the commercial project currently under development in Yangon known as the Sule Square, which is held by Traders Square Co. Ltd ("TSCL"), a 23.56% associate.

Excluding non-operating items, Group net profit for 2015 was RM108.915 million, 25% up from RM87.127 million last year, mainly due to the benefit of unrealised foreign exchange translation gains on the Group's US dollar loans to its associates in Myanmar. This, together with lower taxation helped offset the weaker contributions from most of the Group's hotel businesses in slower market conditions.

Shangri-La Hotel Kuala Lumpur posted a revenue decline of 2% in the year to RM187.593 million in line with a reduction in occupancy to 70% from 77% in 2014. The hotel made a lower pre-tax profit of RM45.416 million for 2015, compared to RM46.234 million in 2014.

At Rasa Ria Resort, occupancy dropped to 63% in 2015 from 70% in the prior year, owing to a slowdown in visitor arrivals from its key markets, with revenue falling by 3% to RM114.099 million. The resort's pre-tax profit for 2015 decreased to RM24.303 million from RM24.896 million in 2014.

The performance of Golden Sands Resort was impacted by lackluster leisure demand, with occupancy down to 70% in 2015 from 76% the previous year. Overall revenue for the resort declined by 13% over 2014 to RM52.766 million, while pre-tax profit for the resort fell to RM10.784 million from RM17.394 million the previous year.

With reduced corporate business, Hotel Jèn Penang saw its occupancy drop to 71% in 2015 against 83% last year. Revenue in the year decreased by 19% to RM35.058 million, and pre-tax profit reduced to RM3.625 million from RM8.697 million in 2014.

In contrast, there were better results from Rasa Sayang Resort, supported by a rise in occupancy to 67% versus 53% in 2014 when the resort's business operation was held back by the renovation work to its Garden Wing guestrooms. The resort grew its revenue in the year by 11% to RM77.625 million, and pre-tax profit improved to RM16.252 million, compared with RM12.061 million in 2014.

For 2015, the Group's investment properties in Kuala Lumpur had combined rental revenue of RM26.974 million, up 5% on 2014, reflecting a stronger contribution from UBN Tower on the back of increased occupancy and rental rates. Excluding fair value changes, their combined pre-tax profit for 2015 was RM15.993 million, 7% higher than RM14.951 million in 2014.

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
(10889-U)
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ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

B1 Review of Group Results Full Year 2015 vs Full Year 2014 (cont'd)

In the year ended 31 December 2015, the Group's share of results from its associates in Myanmar was a profit of RM27.419 million, compared to a loss of RM1.322 million in 2014. The share of associated companies' profits for 2015 was largely driven by a combined net fair value gain amounting to RM19.060 million from the Shangri-La Serviced Apartments, and from Sule Square, the commercial project currently under development, which are held through SYCL and TSCL respectively. The Sule Square project is scheduled to complete in the third quarter of 2016.

B2 Comparison of Group Results 4th Quarter 2015 vs 3rd Quarter 2015

Group revenue for the fourth quarter ended 31 December 2015 was RM133.952 million, down 2% from RM136.099 million in the third quarter ended 30 September 2015. The Group's pre-tax profit for the fourth quarter 2015 was RM43.951 million, a decrease of 15% from RM51.531 million recorded in the third quarter 2015.

The results for the fourth quarter primarily reflected a significant decline in contribution from Rasa Ria Resort, as well as the unfavourable impact of a weaker US dollar exchange rate on the translation of the Group's loans to its associated companies in Myanmar into ringgit.

Revenue at Rasa Ria Resort fell by 31% during the fourth quarter 2015 to RM25.705 million, resulting from a fall in occupancy from 76% in the third quarter 2015 to 53% due to a reduction in leisure arrivals. Consequently, the resort's pre-tax profit decreased in the fourth quarter by 82% to RM2.245 million.

On the other hand, both Rasa Sayang Resort and Golden Sands Resort registered revenue growth over the third quarter 2015, mainly on account of stronger food and beverage sales. At the same time, revenue from Shangri-La Hotel Kuala Lumpur rose by 14% from the third quarter 2015 to RM53.573 million, helped by an improvement in occupancy to 76% against 71% in the third quarter 2015. For Hotel Jen Penang, revenue was up 10% on the third quarter 2015 to RM9.164 million, driven by a higher level of rooms and food and beverage business.

In the three-month period to 31 December 2015, the combined rental revenue from the Group's investment properties showed a modest increase to RM6.801 million, compared with RM6.736 million for the third quarter 2015.

B3 Prospects for 2016

Within the current economic climate and a continued uncertain business environment, the overall trends in demand across both the leisure and corporate travel markets continue to be slow.

In 2016, Hotel Jen Penang will embark on a major renovation of all its guestrooms, which is planned to start in the middle of 2016. It will be completed in stages over a period of approximately twelve months. This renovation programme will have a negative effect on the hotel's revenue and performance in 2016, particularly in the second half of the year.

For the Group's investment properties, the performance of UBN Tower is expected to hold up reasonably well in 2016, however, the prospects for UBN Apartments remain weak in a tough market.

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

ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

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/year under review is as follows:-

	3 months ended		12 months ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Current taxation				
- Company and subsidiaries	6,021	12,066	24,051	30,173
Deferred taxation	(10,571)	(4,683)	(6,837)	3,364
(Over)/under provision in respect of prior years				
- Company and subsidiaries	(1,857)	1,107	(1,839)	168
	(6,407)	8,490	15,375	33,705

The effective tax rate on the Group's profit before tax for the full year ended 31 December 2015 was 10%, compared with the statutory tax rate of 25%. This rate was lower mainly because the unrealised net foreign exchange gain on the translation of the Group's US dollar loans to its associates in Myanmar is not taxable, and also benefited from the availability of Investment Tax Allowance ("ITA") tax incentive in a Group subsidiary.

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 31 December 2015 were as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	-	-	-
Unsecured	138,917*	-	138,917
	138,917*	-	138,917

* Amounts drawdown comprised HKD42.8 million and USD8.833 million from two offshore banks in Labuan, and USD18.0 million from a local bank.

There were no debt securities in the financial year ended 31 December 2015.

B8 Financial Instruments

Derivatives

There were no outstanding derivative financial instruments as at 31 December 2015.

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 year ended 31 December 2015.

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

ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

The Directors are recommending a final single tier dividend of 11 sen per share for the financial year ended 31 December 2015 (2014: final single tier dividend of 9 sen per share) for approval by shareholders at the forthcoming Annual General Meeting of the Company to be held on Wednesday, 18 May 2016.

The proposed final single tier dividend of 11 sen per share, together with the interim single tier dividend of 3 sen per share paid on 17 November 2015, will give a total dividend of 14 sen per share for the financial year ended 31 December 2015 (2014: a total dividend of 12 sen per share, comprising an interim single tier of 3 sen per share and a final single tier of 9 sen per share). The proposed final single tier dividend of 11 sen per share, if approved at the Annual General Meeting will be paid on Thursday, 30 June 2016.

NOTICE IS HEREBY GIVEN that the final single tier dividend of 11 sen per share for the financial year ended 31 December 2015 will be payable to shareholders whose names appear on the Record of Depositors on Monday, 6 June 2016.

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 Monday, 6 June 2016 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 financial year ended 31 December 2015 have been calculated as follows:-

	3 months ended		12 months ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Profit attributable to shareholders of the Company (<i>RM'000</i>)	46,582	9,952	129,686	79,340
No. of ordinary shares in issue (<i>'000</i>)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (<i>sen</i>)	10.59	2.26	29.47	18.03

Diluted Earnings per Share

Not applicable.

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
(10889-U)
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ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

B12 Realised and Unrealised Profits/Losses

	As at 31.12.2015 RM'000	As at 31.12.2014 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	511,220	479,799
- Unrealised	138,044	107,414
	649,264	587,213
Total share of accumulated losses in associated companies		
- Realised	(38,003)	(46,362)
- Unrealised	20,602	1,542
	631,863	542,393
Add : Consolidation adjustments	(144,499)	(131,915)
Total Group retained profits	487,364	410,478

B13 Notes to the Statement of Comprehensive Income

	3 months ended		12 months ended	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Net profit for the period/year is arrived at after charging:-				
Interest expense	(462)	(547)	(1,667)	(2,092)
Depreciation	(16,164)	(13,349)	(61,950)	(54,105)
Foreign exchange loss	(5,167)	(5,262)	(20,577)	(6,098)
Allowance for doubtful debts - trade receivables	-	(34)	(56)	-
and after crediting:-				
Interest income	609	477	1,659	2,438
Foreign exchange gain	2,981	10,817	39,434	11,802
Write back of allowance for doubtful debts - trade receivables	16	-	-	101

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 year ended 31 December 2015.

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 2014.

By Order of the Board
Datin Rozina Mohd Amin
Company Secretary

Kuala Lumpur
24 February 2016