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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 HO Kian Hock (alternate to Mr HO Kian Guan)

Hong Kong, 23 August 2016

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

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Financial Year End 31 Dec 2016
 Quarter 2 Qtr
 Quarterly report for the financial period ended 30 Jun 2016
 The figures have not been audited

Attachments
2nd Qtr 30 June 2016 Results.pdf 453.6 kB

Default Currency	Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION
30 Jun 2016

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	111,566	109,543	246,831	230,202
2 Profit/(loss) before tax	21,846	22,911	52,159	58,159
3 Profit/(loss) for the period	16,812	17,062	38,081	43,827
4 Profit/(loss) attributable to ordinary equity holders of the parent	16,106	15,811	35,038	41,380
5 Basic earnings/(loss) per share (Subunit)	3.66	3.59	7.96	9.40
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 (\$\$)	2.3148		2.3451	

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 2016 (2015 Interim single tier dividend : 3 sen or 3% per ordinary share). The interim dividend is payable on Thursday, 17 November 2016.

The interim dividend will amount to RM13.200 million and will be reflected in the financial statements for the quarter ending 30 September 2016.

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	23 Aug 2016
Category	Financial Results
Reference Number	FRA-23082016-00035

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 2016

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	
	30.6.2016 RM'000	30.6.2015 RM'000	30.6.2016 RM'000	30.6.2015 RM'000
Revenue	111,566	109,543	246,831	230,202
Operating profit	20,740	21,969	47,331	54,103
Interest expense	(644)	(423)	(1,269)	(802)
Interest income	1,146	397	2,027	736
Share of results of associated companies	604	968	4,070	4,122
Profit before tax	21,846	22,911	52,159	58,159
Tax expense	(5,034)	(5,849)	(14,078)	(14,332)
Profit for the period	16,812	17,062	38,081	43,827
<u>Attributable to:</u>				
Shareholders of the Company	16,106	15,811	35,038	41,380
Non-controlling interests	706	1,251	3,043	2,447
	16,812	17,062	38,081	43,827
Basic Earnings per Ordinary Share (sen)	3.66	3.59	7.96	9.40
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
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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		6 months ended	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015
	RM'000	RM'000	RM'000	RM'000
Profit for the period	16,812	17,062	38,081	43,827
Other comprehensive income/(expense) for the period	-	-	-	-
Total comprehensive income for the period	16,812	17,062	38,081	43,827
<u>Attributable to:</u>				
Shareholders of the Company	16,106	15,811	35,038	41,380
Non-controlling interests	706	1,251	3,043	2,447
	16,812	17,062	38,081	43,827

(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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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.6.2016 RM'000	As at 31.12.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	718,405	746,294
Investment properties	288,062	287,980
Interest in associates	239,264	226,090
Property development expenditure	12,286	12,286
Deferred tax assets	2,075	5,189
	<u>1,260,092</u>	<u>1,277,839</u>
Current assets		
Inventories	8,356	8,242
Trade and other receivables, prepayments and deposits	32,494	32,327
Tax recoverable	5,580	4,552
Cash and cash equivalents	98,081	97,200
	<u>144,511</u>	<u>142,321</u>
Total assets	<u>1,404,603</u>	<u>1,420,160</u>
EQUITY		
Capital and reserves		
Share capital	440,000	440,000
Reserves	578,503	591,865
Total equity attributable to shareholders of the Company	1,018,503	1,031,865
Non-controlling interests	111,087	108,044
Total equity	<u>1,129,590</u>	<u>1,139,909</u>
LIABILITIES		
Non-current liabilities		
Retirement benefits	22,306	21,322
Deferred tax liabilities	19,176	18,334
	<u>41,482</u>	<u>39,656</u>
Current liabilities		
Trade and other payables and accruals	77,311	100,351
Short-term borrowings	155,450	138,917
Current tax liabilities	770	1,327
	<u>233,531</u>	<u>240,595</u>
Total liabilities	<u>275,013</u>	<u>280,251</u>
Total equity and liabilities	<u>1,404,603</u>	<u>1,420,160</u>
Net Assets per Ordinary Share (RM) Attributable to Shareholders of the Company	2.31	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)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 6 months ended 30 June 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	-	-	41,380	41,380	2,447	43,827
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	41,380	41,380	2,447	43,827
Dividends						
- Final dividend for the financial year ended 31.12.2014 paid on 30.6.2015	-	-	(39,600)	(39,600)	-	(39,600)
Balance at 30 June 2015	440,000	104,501	412,258	956,759	102,611	1,059,370
Balance at 1 January 2016	440,000	104,501	487,364	1,031,865	108,044	1,139,909
Net profit for the period	-	-	35,038	35,038	3,043	38,081
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	35,038	35,038	3,043	38,081
Dividends						
- Final dividend for the financial year ended 31.12.2015 paid on 30.6.2016	-	-	(48,400)	(48,400)	-	(48,400)
Balance at 30 June 2016	440,000	104,501	474,002	1,018,503	111,087	1,129,590

(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)

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2016**

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the 6 months ended 30 June 2016

	30.6.2016 RM'000	30.6.2015 RM'000
Profit before tax	52,159	58,159
Adjustments for non-cash flow:-		
Non-cash items	34,565	19,643
Non-operating items	(758)	66
Operating profit before changes in working capital	85,966	77,868
Changes in working capital		
Net change in current assets	(281)	(4,260)
Net change in current liabilities	(16,985)	(22,203)
Cash generated from operations	68,700	51,405
Income taxes paid	(11,707)	(14,962)
Retirement benefits paid	(167)	(369)
Net cash inflow from operating activities	56,826	36,074
Investing activities		
Interest income received	2,027	736
Purchase of property, plant and equipment	(8,801)	(27,225)
Additions to investment properties	(82)	(187)
Net cash outflow from investing activities	(6,856)	(26,676)
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	25,764	21,881
Repayment of borrowings	-	(15,384)
Interest expense paid	(1,269)	(802)
Advances to associates	(24,484)	(21,413)
Repayment of loans by associates	-	15,540
Net cash outflow from financing activities	(49,089)	(40,778)
Net increase/(decrease) in cash & cash equivalents	881	(31,380)
Cash & cash equivalents at beginning of the year	97,200	56,595
Cash & cash equivalents at end of financial period	98,081	25,215
Cash and cash equivalents at end of financial period	98,081	25,215
Bank overdraft at end of financial period	-	-
Cash & cash equivalents in the statement of financial position	98,081	25,215

(The unaudited Condensed Consolidated Cash Flow Statement 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 SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 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 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 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
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 financial 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 SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 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 June 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 June 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 second quarter ended 30 June 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 June 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 June 2016 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment Revenue					
Revenue from external customers	232,366	12,716	1,749	-	246,831
Inter-segment revenue	-	1,050	1,428	(2,478)	-
Total revenue	232,366	13,766	3,177	(2,478)	246,831
Segment Results					
Operating profit	39,460	8,060	1,332	(1,521)	47,331
Interest expense	(1,799)	-	(1,254)	1,784	(1,269)
Interest income	3,596	190	25	(1,784)	2,027
Share of results of associated companies	4,070	-	-	-	4,070
Profit before tax	45,327	8,250	103	(1,521)	52,159
As at 30 June 2016 <i>(All figures in RM'000)</i>					
Segment assets	1,102,215	312,211	13,778	(262,865)	1,165,339
Interest in associates	239,264	-	-	-	239,264
Total assets	1,341,479	312,211	13,778	(262,865)	1,404,603

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 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 June 2016 and the date of this report that would materially affect the results of the Group for the financial period ended 30 June 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 June 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 June 2016 are as follows:-

	RM'000
Authorised and contracted for	46,299
Authorised but not contracted for	67,749
	114,048

A12 Related Party Transactions

6 months ended 30.6.2016

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	7,843
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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	1,346
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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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SHANGRI-LA HOTELS (MALAYSIA) BERHAD
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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2016

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

B1 Review of Group Results 1st Half 2016 vs 1st Half 2015

For the six months ended 30 June 2016, Group revenue rose by 7% to RM246.831 million from RM230.202 million in the corresponding period in 2015.

The Group's net profit attributable to shareholders for the six months was RM35.038 million, 15% lower than the previous year. The 2016 first half result included an unrealised net foreign exchange loss of RM6.149 million, which arose on the translation into ringgit of the Group's US dollar loans to its associates in Myanmar, due to a weaker US dollar exchange rate.

Excluding currency translation effects in both periods, Group net profit for the first half 2016 was RM41.187 million, up 17% as compared to the first half last year, driven largely by the stronger performances from the Group's resorts in Sabah and Penang.

In the half year, Rasa Ria Resort grew revenue by 20% to RM61.490 million, benefiting from a steady rebound in visitor arrivals from its key markets. The resort's pre-tax profit for the first half 2016 was RM16.252 million, 71% more than the same period last year. Occupancy at the resort was 68% versus 62% in 2015.

With healthy leisure demand, Rasa Sayang Resort raised its occupancy to 72% from 58%, which contributed to a revenue of RM40.073 million, an increase of 17% over the 2015 first half. The resort made a higher pre-tax profit of RM7.525 million, up 19% on the prior year period.

At Golden Sands Resort, a good pick-up in leisure business drove a 15% growth in revenue to RM27.143 million, with a 20% improvement in pre-tax profit from RM5.259 million in the first half of 2015 to RM6.287 million. The resort's occupancy rose to 74% from 62% in 2015.

The overall revenue at Shangri-La Hotel Kuala Lumpur dropped slightly by 1% to RM86.327 million in the first half 2016, reflecting softer rooms and food and beverage business. As a result, the hotel's pre-tax profit decreased to RM20.092 million from RM20.542 million in the first six months of 2015. Occupancy at the hotel for the period was 65%.

For Hotel Jen Penang, a shortfall in corporate demand led to a 16% decline in revenue to RM14.751 million, and pre-tax profit reduced from RM2.683 million in the first half 2015 to RM0.713 million. The hotel's occupancy fell to 62% from 69% the previous year.

The combined rental revenue from the Group's investment properties in Kuala Lumpur for the first six months of 2016 showed a rise of 2% to RM13.766 million, with pre-tax profit increasing to RM8.250 million from RM8.111 million in the first half last year. Growth was supported by better operating results from UBN Tower in line with higher occupancy and average rental rates.

For the half year to 30 June 2016, the Group's share of net profit from its associated companies in Myanmar was RM4.070 million, a small decrease from RM4.122 million in 2015, due to a lower profit contribution from Sule Shangri-La Yangon, the Group's 23.5% associate hotel.

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
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NOTES REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF APPENDIX 9B

B2 Comparison of Group Results 2nd Quarter 2016 vs 1st Quarter 2016

The Group's revenue in the second quarter to 30 June 2016 was RM111.566 million, down 18%, as compared to RM135.265 million for the first quarter ended 31 March 2016. Group net profit for the second quarter 2016 decreased to RM16.106 million from RM18.932 million in the first quarter 2016.

The results for the second quarter reflected lower contributions from most of the Group's hotel businesses due to reductions in occupancy levels. This was partly cushioned by a positive currency translation impact on the Group's US dollar loans to its associates in Myanmar, compared to the first quarter 2016.

During the second quarter, Rasa Ria Resort experienced a drop in overall leisure arrivals, with occupancy decreasing by 12% versus the first quarter 2016, resulting in a 30% fall in revenue to RM25.269 million. Both Rasa Sayang Resort and Golden Sands Resort also recorded revenue declines against the first quarter 2016, reflecting reduced leisure demand. In addition, Shangri-La Hotel Kuala Lumpur saw its revenue decrease by 7% from the first quarter 2016 to RM41.486 million, mainly on account of lower rooms business.

Hotel Jen Penang, on the other hand registered a higher occupancy of 67%, which helped to achieve a 12% improvement in revenue over the first quarter 2016.

In the three-month period to 30 June 2016, the combined rental revenue from the Group's investment properties in Kuala Lumpur was RM6.955 million, up 2% when compared with the first quarter 2016.

B3 Prospects for 2016

Looking forward, the Group's hotel businesses should benefit from encouraging momentum in the leisure travel market. However, they are seeing slower corporate demand amidst a more challenging economic environment.

In July 2016, Hotel Jen Penang commenced its major renovation programme for all guestrooms, with completion due by mid-2017. Inevitably, the renovation work will have a dampening effect on the business levels of the hotel during the second half of 2016.

For the Group's investment properties, UBN Tower should continue to show a steady performance over the remainder of 2016, while the prospect for UBN Apartments is expected to remain sluggish owing to weak market conditions.

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FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 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		6 months ended	
	30.6.2016 RM'000	30.6.2015 RM'000	30.6.2016 RM'000	30.6.2015 RM'000
Current taxation				
- Company and subsidiaries	4,912	4,895	10,697	11,443
Deferred taxation	122	956	3,956	2,899
(Over)/under provision in respect of prior years				
- Company and subsidiaries	-	(2)	(575)	(10)
	5,034	5,849	14,078	14,332

For the half year ended 30 June 2016, the Group's effective tax rate on profit before tax was 27%. This rate is higher than the statutory tax rate of 24% largely because of the unrealised foreign exchange losses for the period on translation of the Group's US dollar loans to its associates in Myanmar, which are not 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 June 2016 were as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	-	-	-
Unsecured	155,450*	-	155,450
	155,450*	-	155,450

* Amounts drawdown comprised HKD42.8 million and USD15.043 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 2016.

B8 Financial Instruments
Derivatives

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

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

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 2016 (2015 interim single tier dividend : 3 sen or 3% per ordinary share). The interim dividend is payable on Thursday, 17 November 2016.

NOTICE IS HEREBY GIVEN that the interim dividend will be paid to shareholders whose names appear in the Record of Depositors on Wednesday, 26 October 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 Wednesday, 26 October 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 six (6) months ended 30 June 2016 have been calculated as follows:-

	3 months ended		6 months ended	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015
Profit attributable to shareholders of the Company (RM'000)	16,106	15,811	35,038	41,380
No. of ordinary shares in issue ('000)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (sen)	3.66	3.59	7.96	9.40

Diluted Earnings per Share

Not applicable.

B12 Realised and Unrealised Profits/Losses

	As at 30.6.2016 RM'000	As at 31.12.2015 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	508,458	511,220
- Unrealised	127,938	138,044
	636,396	649,264
Total share of accumulated losses in associated companies		
- Realised	(33,933)	(38,003)
- Unrealised	20,602	20,602
	623,065	631,863
Add : Consolidation adjustments	(149,063)	(144,499)
Total Group retained profits	474,002	487,364

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 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		6 months ended	
	30.6.2016 RM'000	30.6.2015 RM'000	30.6.2016 RM'000	30.6.2015 RM'000
Net profit for the period is arrived at after charging:-				
Interest expense	(644)	(423)	(1,269)	(802)
Depreciation	(15,369)	(14,686)	(30,983)	(29,311)
Foreign exchange loss	(4,963)	(926)	(15,380)	(6,714)
Allowance for doubtful debts - trade receivables	-	(24)	(128)	(59)
and after crediting:-				
Interest income	1,146	397	2,027	736
Foreign exchange gain	8,000	2,554	9,231	13,004
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 June 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
23 August 2016