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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 director(s)

Ms KUOK Hui Kwong (Chairman)

Mr LIM Beng Chee (CEO)

Mr LUI Man Shing

Mr Madhu Rama Chandra RAO

Independent non-executive director(s)

Mr Alexander Reid HAMILTON

Professor LI Kwok Cheung Arthur

Dr LEE Kai-Fu

Non-executive director(s)

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

Hong Kong, 17 August 2017

Quarterly rpt on consolidated results for the financial period ended 30 Jun 2017

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Financial Year End 31 Dec 2017

Quarter 2 Qtr

Quarterly report for the financial period ended 30 Jun 2017

The figures have not been audited

Attachments

2nd Qtr 30 June 2017 Results.pdf
503.6 kB

Default Currency

Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION
30 Jun 2017

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30 Jun 2017	30 Jun 2016	30 Jun 2017	30 Jun 2016
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	122,992	111,566	253,128	246,831
2 Profit/(loss) before tax	21,898	21,846	50,151	52,159
3 Profit/(loss) for the period	14,910	16,812	35,180	38,081
4 Profit/(loss) attributable to ordinary equity holders of the parent	13,284	16,106	32,687	35,038
5 Basic earnings/(loss) per share (Subunit)	3.02	3.66	7.43	7.96
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 (\$\$)		2.3494		2.3835

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 2017 (2016 interim single tier dividend : 3 sen or 3% per ordinary share). The interim dividend is payable on Tuesday, 14 November 2017.

The interim dividend will amount to RM13.200 million and will be reflected in the financial statements for the quarter ending 30 September 2017.

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	17 Aug 2017
Category	Financial Results
Reference Number	FRA-17082017-00011

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 2017

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	
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
	RM'000	RM'000	RM'000	RM'000
Revenue	122,992	111,566	253,128	246,831
Operating profit	21,889	20,740	48,497	47,331
Interest expense	(929)	(644)	(1,757)	(1,269)
Interest income	1,086	1,146	2,026	2,027
Share of results of associated companies	(148)	604	1,385	4,070
Profit before tax	21,898	21,846	50,151	52,159
Tax expense	(6,988)	(5,034)	(14,971)	(14,078)
Profit for the period	14,910	16,812	35,180	38,081
<u>Attributable to:</u>				
Shareholders of the Company	13,284	16,106	32,687	35,038
Non-controlling interests	1,626	706	2,493	3,043
	14,910	16,812	35,180	38,081
Basic Earnings per Ordinary Share (sen)	3.02	3.66	7.43	7.96
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 2016)

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 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		6 months ended	
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
	RM'000	RM'000	RM'000	RM'000
Profit for the period	14,910	16,812	35,180	38,081
<u>Other comprehensive income</u>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of financial statements of overseas associates	457	-	687	-
Total comprehensive income for the period	15,367	16,812	35,867	38,081
Attributable to:				
Shareholders of the Company	13,741	16,106	33,374	35,038
Non-controlling interests	1,626	706	2,493	3,043
	15,367	16,812	35,867	38,081

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016)

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.6.2017 RM'000	As at 31.12.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	740,414	713,232
Investment properties	288,080	288,080
Interest in associates	250,726	260,514
Property development expenditure	12,286	12,286
Deferred tax assets	1,725	1,910
	<u>1,293,231</u>	<u>1,276,022</u>
Current assets		
Inventories	5,546	6,559
Trade and other receivables, prepayments and deposits	32,765	33,966
Tax recoverable	6,922	5,046
Cash and bank balances	104,544	142,768
	<u>149,777</u>	<u>188,339</u>
Total assets	<u>1,443,008</u>	<u>1,464,361</u>
EQUITY		
Capital and reserves		
Share capital	544,501	440,000
Reserves	489,224	608,751
Total equity attributable to shareholders of the Company	<u>1,033,725</u>	<u>1,048,751</u>
Non-controlling interests	116,361	113,868
Total equity	<u>1,150,086</u>	<u>1,162,619</u>
LIABILITIES		
Non-current liabilities		
Retirement benefits	22,515	21,535
Deferred tax liabilities	16,416	14,440
	<u>38,931</u>	<u>35,975</u>
Current liabilities		
Trade and other payables and accruals	84,882	90,735
Short-term borrowings	168,478	174,469
Current tax liabilities	631	563
	<u>253,991</u>	<u>265,767</u>
Total liabilities	<u>292,922</u>	<u>301,742</u>
Total equity and liabilities	<u>1,443,008</u>	<u>1,464,361</u>
Net Assets per Ordinary Share (RM) Attributable to Shareholders of the Company	2.35	2.38

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016)

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2017**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 6 months ended 30 June 2017

<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 →			
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	-	-	-	-	-	-	-
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
Balance at 1 January 2017	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
Other comprehensive income	-	-	687	-	687	-	687
Total comprehensive income for the period	-	-	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)
Balance at 30 June 2017	544,501	-	(1,172)	490,396	1,033,725	116,361	1,150,086

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 the period, 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 2016)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2017

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the 6 months ended 30 June 2017

	30.6.2017	30.6.2016
	RM'000	RM'000
Profit before tax	50,151	52,159
Adjustments for non-cash flow:-		
Non-cash items	36,864	34,565
Non-operating items	(269)	(758)
Operating profit before changes in working capital	86,746	85,966
Changes in working capital		
Net change in current assets	2,214	(281)
Net change in current liabilities	(4,648)	(16,985)
Cash generated from operations	84,312	68,700
Income taxes paid	(14,618)	(11,707)
Retirement benefits paid	(225)	(167)
Net cash inflow from operating activities	69,469	56,826
Investing activities		
Interest income received	2,026	2,027
Purchase of property, plant and equipment	(61,226)	(8,801)
Additions to investment properties	-	(82)
Short-term bank deposits with original maturities over 3 months	46,440	-
Net cash outflow from investing activities	(12,760)	(6,856)
Financing activities		
Dividends paid to shareholders of the Company	(48,400)	(48,400)
Dividend paid to non-controlling shareholder of a subsidiary	-	(700)
Drawdown of borrowings	1,664	25,764
Interest expense paid	(1,757)	(1,269)
Advances to associates	-	(24,484)
Net cash outflow from financing activities	(48,493)	(49,089)
Net increase in cash & cash equivalents	8,216	881
Cash & cash equivalents at beginning of the year	96,328	97,200
Cash & cash equivalents at end of financial period	104,544	98,081
Short-term bank deposits with original maturities over 3 months	-	-
Cash and bank balances in the statement of financial position	104,544	98,081

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2017

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 2016. These condensed consolidated interim financial statements also comply with IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

Except as disclosed 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 2016.

The Group has adopted the following amendments to Malaysian Financial Reporting Standards (“MFRSs”) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2017.

Amendments to MFRS 12	Disclosure of Interests in Other Entities
Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the above amendments to MFRSs has no significant impact on the financial statements or position of the Group.

A1.1 MFRS and Amendments Issued But Not Yet Effective

The Group has not applied the following new and amended MFRSs and interpretations that have been issued but are not yet effective. None of these are expected to have a significant effect on the financial statements or position of the Group.

		Effective for annual periods beginning on or after
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 15	Clarifications to Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 128	Investments in Associates and Joint Ventures	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	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
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	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.

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 2017.

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2017**

NOTES PURSUANT TO MFRS 134

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 2017.

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 2017.

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 2017.

A6 Dividends Paid

A final single tier dividend of 11% or 11 sen per share for the financial year ended 31 December 2016 amounting to RM48.400 million was paid on 30 June 2017. An interim single tier dividend of 3% or 3 sen per share amounting to RM13.200 million for the year ended 31 December 2016 was paid on 17 November 2016.

A7 Segmental Reporting

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

For the period ended 30 June 2017 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
<u>Segment Revenue</u>					
Revenue from external customers	238,729	12,581	1,818	-	253,128
Inter-segment revenue	-	1,106	1,363	(2,469)	-
Total revenue	238,729	13,687	3,181	(2,469)	253,128
<u>Segment Results</u>					
Operating profit	40,574	8,321	1,123	(1,521)	48,497
Interest expense	(2,708)	-	(1,756)	2,707	(1,757)
Interest income	4,756	193	42	(2,965)	2,026
Share of results of associated companies	(724)	2,109	-	-	1,385
Profit before tax	41,898	10,623	(591)	(1,779)	50,151

As at 30 June 2017 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets	1,186,157	312,224	14,039	(320,138)	1,192,282
Interest in associates	14,270	236,456	-	-	250,726
Total assets	1,200,427	548,680	14,039	(320,138)	1,443,008

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 2017 and the date of this report that would materially affect the results of the Group for the financial period ended 30 June 2017.

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 2017.

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
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NOTES PURSUANT TO MFRS 134

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 2016 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 2017 are as follows:-

	RM'000
Authorised and contracted for	41,885
Authorised but not contracted for	26,748
	68,633

A12 Related Party Transactions

6 months ended 30.6.2017

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	8,788
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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	1,394
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SHANGRI-LA HOTELS (MALAYSIA) BERHAD
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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

B1 Review of Group Results 1st Half 2017 vs 1st Half 2016

During the first six months to 30 June 2017, Group revenue rose by 3% to RM253.128 million from RM246.831 million for the same period in 2016, with higher revenues mainly from the Group's resorts in Penang and Sabah, offsetting the impact of a fall in revenue at Shangri-La Hotel Kuala Lumpur and Hotel Jen Penang due to renovation disruptions.

Group net profit attributable to shareholders for the first half fell by 7% to RM32.687 million, compared with RM35.038 million in 2016, largely due to the weaker performances by Shangri-La Hotel Kuala Lumpur and Hotel Jen Penang, and a reduced contribution from associates in Myanmar.

In the half year, Rasa Ria Resort achieved a revenue growth of 11% to RM68.522 million, supported by an improved occupancy of 77% against 68% for the first six months of 2016. Pre-tax-profit of the resort was RM21.654 million, 33% up on the previous year.

Underpinned by good leisure demand, Rasa Sayang Resort grew occupancy to 75% from 72%, which contributed to a revenue increase of 7% over the first half 2016 to RM42.989 million. The resort's pre-tax profit of RM11.044 million was 47% higher than in the half year 2016.

At Golden Sands Resort, a strong uplift in leisure business from the domestic sector, drove a 7% growth in revenue to RM29.069 million, with pre-tax profit rising to RM6.995 million, 11% ahead of the first half 2016. The resort's occupancy of 77% increased from 74% in the prior period.

Revenue from Shangri-La Hotel Kuala Lumpur decreased by 5% to RM81.968 million, owing to a shortfall in contribution from its food and beverage operations as the ballroom, function rooms and all-day dining restaurant remained closed for extensive renovations in the first two months of 2017. The hotel's pre-tax profit was RM15.168 million, a decline of 25% from the prior year's profit. Occupancy for the hotel was 65%, in line with the first half last year.

The performance of Hotel Jen Penang was disrupted throughout the period by the ongoing major renovation of its guestrooms, which was fully completed at the end of June 2017. Occupancy at the hotel dropped to 55% from 62%, with overall revenue down by 8% to RM13.508 million in the first half 2017. The hotel posted a pre-tax loss of RM3.630 million for the period, which included asset write-offs related to its guestroom renovation programme.

The combined rental revenue from the Group's investment properties in Kuala Lumpur for the half year 2017 remained stable at RM13.687 million, while pre-tax profit rose by 3% to RM8.514 million, benefiting from the receipt of a rebate on property assessment payments made in respect of prior years.

In the first half year ended 30 June 2017, the Group's share of net profit from associates fell to RM1.385 million from RM4.070 million for the comparable period in 2016. The reduction was due to lower operating results from Sule Shangri-La Yangon, and a negative contribution from Sule Square, the Group's associate hotel and commercial complex in Yangon respectively.

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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 2017 vs 1st Quarter 2017

The Group's revenue for the second quarter ended 30 June 2017 was RM122.992 million, down 5% from RM130.136 million in the first quarter ended 31 March 2017. Correspondingly, Group pre-tax profit for the second quarter 2017 decreased to RM21.898 million from RM28.253 million for the first quarter 2017.

The results of the Group in the second quarter primarily reflected lower contributions from the Group's resorts in Penang and Sabah, combined with an unfavourable foreign currency translation impact on the Group's US dollar loans to its associates in Myanmar.

In the second quarter, the Group resorts as a whole experienced softer demand from the leisure sector. As a consequence, Rasa Sayang Resort saw occupancy drop from 84% in the first quarter 2017 to 67%, leading to a decline in revenue of 20% to RM19.108 million for the second quarter 2017. At Golden Sands Resort, revenue fell by 18% to RM13.130 million in response to a weaker occupancy level of 71%, as compared to 83% for the first quarter 2017. Similarly, Rasa Ria Resort also registered a reduced occupancy of 71% versus 82%, which resulted in a decrease of 4% in overall revenue against the 2017 first quarter.

Elsewhere, Shangri-La Hotel Kuala Lumpur reported a 3% improvement in revenue from the first quarter 2017 to RM41.602 million, boosted by a healthy growth in food and beverage business. At the same time, Hotel Jen Penang was able to achieve a revenue increase of 14% to RM7.190 million, as more renovated guestrooms returned to saleable inventory during the second quarter.

The combined rental revenue from the Group's investment properties in Kuala Lumpur for the second quarter 2017 showed a 1% reduction to RM6.806 million when compared to the first quarter 2017.

B3 Prospects for 2017

The overall operating environment for the Group's hotel businesses is generally positive, with momentum in leisure and business travel. The Group's hotels and resorts are in a good position to capitalise on these trends.

Specifically, Shangri-La Hotel Kuala Lumpur is expected to deliver revenue and profit growth for the full year 2017, supported by stronger food and beverage business over the second half, with the continuing benefit of its recently fully upgraded banqueting facilities and all-day dining restaurant. Hotel Jen Penang successfully completed its major renovation, with the hotel's full inventory of renovated rooms back in operation at the end of June 2017. This will allow the hotel to drive improvements in occupancy and room rates during the remainder of 2017.

The outlook for UBN Tower remains relatively stable as the prime office rental market in Kuala Lumpur should hold up through 2017, but little growth is expected from UBN Apartments amidst subdued market conditions.

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2017**

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	
	30.6.2017 RM'000	30.6.2016 RM'000	30.6.2017 RM'000	30.6.2016 RM'000
Current taxation				
- Company and subsidiaries	6,223	4,912	12,744	10,697
Deferred taxation	699	122	2,161	3,956
(Over)/under provision in respect of prior years				
- Company and subsidiaries	66	-	66	(575)
	6,988	5,034	14,971	14,078

The Group's effective tax rate for the first six months ended 30 June 2017 was 30%. This was higher than the statutory tax rate of 24%, mainly due to (a) the impact of the net unrealised foreign currency translation loss on the Group's US dollar loans to its associates, which is not tax deductible and (b) the net loss incurred by a subsidiary hotel company during the first half which cannot be offset against 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 2017 were RM168.478 million, compared with RM155.450 million at 30 June 2016.

<i>(All figures in RM'000)</i>	As at 30 June 2017	As at 30 June 2016
<u>Secured</u>		
Short Term	-	-
Long Term	-	-
	-	-
<u>Unsecured</u>		
Short Term	168,478 *	155,450 **
Long Term	-	-
Total	168,478	155,450

* 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.

** Amounts drawdown as at 30 June 2016 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 2017.

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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 2017.

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 2017.

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 2017 (2016 interim single tier dividend : 3 sen or 3% per ordinary share). The interim dividend is payable on Tuesday, 14 November 2017.

NOTICE IS HEREBY GIVEN that the interim dividend will be paid to shareholders whose names appear in the Record of Depositors on Tuesday, 24 October 2017.

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 Tuesday, 24 October 2017 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 2017 have been calculated as follows:-

	3 months ended		6 months ended	
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
Profit attributable to shareholders of the Company (<i>RM'000</i>)	13,284	16,106	32,687	35,038
No. of ordinary shares in issue (<i>'000</i>)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (<i>sen</i>)	3.02	3.66	7.43	7.96

Diluted Earnings per Share

Not applicable.

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

B12 Realised and Unrealised Profits/Losses

	As at 30.6.2017 RM'000	As at 31.12.2016 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	528,342	534,802
- Unrealised	136,619	142,985
	664,961	677,787
Total share of accumulated losses in associated companies		
- Realised	(29,784)	(31,169)
- Unrealised	12,872	12,872
	648,049	659,490
Add : Consolidation adjustments	(157,653)	(153,381)
Total Group retained profits	490,396	506,109

B13 Notes to the Statement of Comprehensive Income

	3 months ended		6 months ended	
	30.6.2017 RM'000	30.6.2016 RM'000	30.6.2017 RM'000	30.6.2016 RM'000
Net profit for the period is arrived at after charging:-				
Interest expense	(929)	(644)	(1,757)	(1,269)
Depreciation	(16,000)	(15,369)	(31,120)	(30,983)
Foreign exchange loss	(7,969)	(4,963)	(11,860)	(15,380)
Allowance for doubtful debts - trade receivables	-	-	-	(128)
and after crediting:-				
Interest income	1,086	1,146	2,026	2,027
Foreign exchange gain	5,152	8,000	7,655	9,231
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 2017.

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 2016.

By Order of the Board
Datin Rozina Mohd Amin
Company Secretary

Kuala Lumpur
17 August 2017

Interim Dividend

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

EX-date	20 Oct 2017
Entitlement date	24 Oct 2017
Entitlement time	04:00 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 2017
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 50250Kuala Lumpur Tel:0327260088 Fax:0327260099
Payment date	14 Nov 2017
a.Securities transferred into the Depositor's Securities Account before 4:00 pm in respect of transfers	24 Oct 2017
b.Securities deposited into the Depositor's Securities Account before 12:30 pm in respect of securities exempted from mandatory deposit	24 Oct 2017
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)	

Announcement Info

Company Name	SHANGRI-LA HOTELS (MALAYSIA) BERHAD
Stock Name	SHANG
Date Announced	17 Aug 2017
Category	Entitlement(Notice of Book Closure)
Reference Number	ENT-17082017-00014