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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 (the “**Company**”). SHMB released to Bursa Malaysia an announcement (the “**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

Mr WONG Kai Man

Professor LI Kwok Cheung Arthur

Non-executive directors

Mr HO Kian Guan

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

Hong Kong, 21 August 2014

Quarterly rpt on consolidated results for the financial period ended 30/6/2014

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Financial Year End 31/12/2014
 Quarter 2
 Quarterly report for the financial period ended 30/06/2014
 The figures have not been audited
Attachments

[2nd Qtr 30 June 2014 Results.pdf](#)
 506 KB

- Default Currency
- Other Currency

Currency: **Malaysian Ringgit (MYR)**

SUMMARY OF KEY FINANCIAL INFORMATION

30/06/2014

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2014 \$\$'000	30/06/2013 \$\$'000	30/06/2014 \$\$'000	30/06/2013 \$\$'000
1 Revenue	120,662	118,555	257,667	246,059
2 Profit/(loss) before tax	25,405	24,929	65,668	59,630
3 Profit/(loss) for the period	19,439	17,926	49,639	43,722
4 Profit/(loss) attributable to ordinary equity holders of the parent	17,511	16,579	45,450	40,408
5 Basic earnings/(loss) per share (Subunit)	3.98	3.77	10.33	9.18
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 (\$\$)		2.1234		2.1701

Remarks :

Item 6 - Proposed/Declared 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 2014 (2013 interim single tier dividend: 3 sen or 3% per ordinary share). The dividend will be payable to shareholders on Friday, 14 November 2014.

The interim dividend will amount to RM13.200 million and will be reflected in the financial statements for the quarter ending 30 September 2014.

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 21 Aug 2014
 Category Financial Results
 Reference No SH-140821-41669

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 2014

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	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	RM'000	RM'000	RM'000	RM'000
Revenue	120,662	118,555	257,667	246,059
Operating profit before exceptional item	25,193	24,588	63,779	58,590
Exceptional item	-	-	-	-
Operating profit	25,193	24,588	63,779	58,590
Interest expense	(513)	(307)	(991)	(618)
Interest income	843	272	1,485	395
Share of results of associated companies	(118)	376	1,395	1,263
Profit before tax	25,405	24,929	65,668	59,630
Tax expense	(5,966)	(7,003)	(16,029)	(15,908)
Profit for the period	19,439	17,926	49,639	43,722
<u>Attributable to:</u>				
Shareholders of the Company	17,511	16,579	45,450	40,408
Non-controlling interests	1,928	1,347	4,189	3,314
	19,439	17,926	49,639	43,722
Basic Earnings per Ordinary Share (sen)	3.98	3.77	10.33	9.18
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 2013)

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 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		6 months ended	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period	19,439	17,926	49,639	43,722
Other comprehensive income/(expense) for the period	-	-	-	-
Total comprehensive income for the period	19,439	17,926	49,639	43,722
<u>Attributable to:</u>				
Shareholders of the Company	17,511	16,579	45,450	40,408
Non-controlling interests	1,928	1,347	4,189	3,314
	19,439	17,926	49,639	43,722

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013)

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2014

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.6.2014 RM'000	As at 31.12.2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	713,973	707,788
Investment properties	281,940	280,860
Interest in associates	155,118	152,154
Property development expenditure	12,286	12,286
Deferred tax assets	-	-
	<u>1,163,317</u>	<u>1,153,088</u>
Current assets		
Inventories	8,053	8,440
Trade and other receivables, prepayments and deposits	27,407	27,533
Tax recoverable	1,102	434
Cash and cash equivalents	60,417	93,719
	<u>96,979</u>	<u>130,126</u>
Total assets	<u>1,260,296</u>	<u>1,283,214</u>
EQUITY		
Capital and reserves		
Share capital	440,000	440,000
Reserves	494,289	514,839
Total equity attributable to shareholders of the Company	<u>934,289</u>	<u>954,839</u>
Non-controlling interests	98,901	94,712
Total equity	<u>1,033,190</u>	<u>1,049,551</u>
LIABILITIES		
Non-current liabilities		
Retirement benefits	18,732	17,864
Deferred tax liabilities	20,608	16,423
	<u>39,340</u>	<u>34,287</u>
Current liabilities		
Trade and other payables and accruals	71,215	86,077
Short-term borrowings	115,580	111,482
Current tax liabilities	971	1,817
	<u>187,766</u>	<u>199,376</u>
Total liabilities	<u>227,106</u>	<u>233,663</u>
Total equity and liabilities	<u>1,260,296</u>	<u>1,283,214</u>
Net Assets per Ordinary Share (RM)	2.12	2.17
Attributable to Shareholders of the Company		

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013)

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

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(Incorporated in Malaysia)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2014UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 6 months ended 30 June 2014

All figures in RM'000	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 2013	440,000	104,501	324,431	868,932	86,314	955,246
Net profit for the period	-	-	40,408	40,408	3,314	43,722
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	40,408	40,408	3,314	43,722
Dividends paid						
- Final dividend for the financial year ended 31.12.2012 paid on 28.6.2013	-	-	(30,800)	(30,800)	-	(30,800)
Balance at 30 June 2013	440,000	104,501	334,039	878,540	89,628	968,168
Balance at 1 January 2014	440,000	104,501	410,338	954,839	94,712	1,049,551
Net profit for the period	-	-	45,450	45,450	4,189	49,639
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	45,450	45,450	4,189	49,639
Dividends						
- Final and special dividends for the financial year ended 31.12.2013 paid on 30.6.2014	-	-	(66,000)	(66,000)	-	(66,000)
Balance at 30 June 2014	440,000	104,501	389,788	934,289	98,901	1,033,190

(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 2013)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2014

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the 6 months ended 30 June 2014

	30.6.2014	30.6.2013
	RM'000	RM'000
Profit before tax	65,668	59,630
Adjustments for non-cash flow:-		
Non-cash items	29,672	29,881
Non-operating items	(494)	223
Operating profit before changes in working capital	94,846	89,734
Changes in working capital		
Net change in current assets	513	(2,604)
Net change in current liabilities	(13,862)	(17,395)
Cash generated from operations	81,497	69,735
Income taxes paid	(13,358)	(11,493)
Retirement benefits paid	(165)	(441)
Net cash inflow from operating activities	67,974	57,801
Investing activities		
Interest income received	1,485	395
Purchase of property, plant and equipment	(34,653)	(13,950)
Additions to investment properties	(1,080)	(947)
Net cash outflow from investing activities	(34,248)	(14,502)
Financing activities		
Dividends paid to shareholders of the Company	(66,000)	(30,800)
Dividend paid to non-controlling interests of a subsidiary	(1,000)	(1,000)
Drawdown of loans	6,398	13,541
Interest expense paid	(991)	(618)
Advances to associates	(5,435)	(20,239)
Net cash outflow from financing activities	(67,028)	(39,116)
Net (decrease)/increase in cash & cash equivalents	(33,302)	4,183
Cash & cash equivalents at beginning of the year	93,719	27,605
Cash & cash equivalents at end of financial period	60,417	31,788
Cash and cash equivalents at end of financial period	60,417	31,788
Bank overdraft at end of financial period	-	-
Cash & cash equivalents in the statement of financial position	60,417	31,788

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2013)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2014

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 2013. 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 2013.

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 2014.

Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to MFRS 127	Separate Financial Statements: Investment Entities
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets

The adoption of the above amended MFRS did not result in any substantial change to the Group’s accounting policies nor any impact on the financial statements of the Group.

A1.1 MFRS and Amendments Issued But Not Yet Effective

The following new MFRS and amendments to MFRS have been issued but are not yet effective for the Group:-

		Effective for annual periods beginning on or after
Amendments to MFRS 3	Business Combinations	1 July 2014
Amendments to MFRS 8	Operating Segments	1 July 2014
Amendments to MFRS 13	Fair Value Measurement	1 July 2014
Amendments to MFRS 116	Property, Plant and Equipment	1 July 2014 / 1 January 2016
Amendments to MFRS 119	Employee Benefits	1 July 2014
Amendments to MFRS 124	Related Party Disclosures	1 July 2014
Amendments to MFRS 140	Investment Property	1 July 2014
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010 and Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139)	Not yet announced
Amendments to MFRS 7 and MFRS 9	Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures	Not yet announced

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
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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2014

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 2014.

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 2014.

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 2014.

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 2014.

A6 Dividends Paid

A final single tier dividend of 10% or 10 sen per share and a special single tier dividend of 5% or 5 sen per share for the financial year ended 31 December 2013 amounting to RM66.000 million was paid on 30 June 2014. An interim single tier dividend of 3% or 3 sen per share amounting to RM13.200 million for the year ended 31 December 2013 was paid on 21 November 2013.

A7 Segmental Reporting

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

For the period ended 30 June 2014 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment Revenue					
Revenue from external customers	244,463	11,958	1,246	-	257,667
Inter-segment revenue	-	970	1,610	(2,580)	-
Total revenue	244,463	12,928	2,856	(2,580)	257,667
Segment Results					
Operating profit	57,501	7,473	326	(1,521)	63,779
Interest expense	(1,425)	-	(948)	1,382	(991)
Interest income	2,684	182	1	(1,382)	1,485
Share of results of associated companies	1,395	-	-	-	1,395
Profit before tax	60,155	7,655	(621)	(1,521)	65,668

As at 30 June 2014 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets	991,038	306,031	12,725	(204,616)	1,105,178
Interest in associates	155,118	-	-	-	155,118
Total assets	1,146,156	306,031	12,725	(204,616)	1,260,296

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2014

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 2014 and the date of this report that would materially affect the results of the Group for the financial period ended 30 June 2014.

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 2014.

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 2013 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 2014 are as follows:-

	RM'000
Authorised and contracted for	92,965
Authorised but not contracted for	38,765
	131,730

A12 Related Party Transactions

6 months ended 30.6.2014

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	7,998
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Transactions with corporations in which Mdm Kuok Oon Kwong, a 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 and Chemquest Sdn Bhd	1,171
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Transactions with associates of the Group

Additional loans granted by Madarac Corporation, the Group's wholly-owned subsidiary incorporated in the British Virgin Islands to an associated company in Myanmar	5,435
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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 2014

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

B1 Review of Group Results 1st Half 2014 vs 1st Half 2013

For the first six months to 30 June 2014, Group revenue increased by 5% to RM257.667 million from RM246.059 million in the corresponding half year in 2013.

Group profit before tax for the first half 2014 was RM65.668 million, up 10% compared with RM59.630 million in 2013. Consequently, the Group's net profit attributable to shareholders for the period rose by 12% to RM45.450 million from RM40.408 million the previous year.

The improvement in the Group's financial performance in the first half 2014 was underpinned mainly by a significant growth in the operating results from Rasa Ria Resort.

In the half year, Rasa Ria Resort posted an increase in revenue of 15% to RM58.111 million, driven by a strong uplift in the average room rate and higher food and beverage sales. The resort made a pre-tax profit of RM14.607 million, 26% above that of RM11.618 million for the first six months of 2013. Occupancy for the resort was 74%, up from 71% the previous year.

A healthy rise in leisure arrivals enabled Golden Sands Resort to achieve a higher occupancy of 79%, compared with 71% in the first half 2013. This contributed to a 9% improvement in revenue to RM29.465 million, and pre-tax profit rose by 20% from RM7.421 million in the first six months of 2013 to RM8.912 million.

At Shangri-La Hotel Kuala Lumpur, revenue improved marginally to RM96.961 million from the first half last year, as higher average room rate was largely offset by a reduction in occupancy to 78% against 83%, coupled with softer food and beverage business. Nonetheless, the hotel's pre-tax profit grew by 5% to RM26.343 million from RM25.006 million in the first half 2013 because of lower operating expenses and a reduced depreciation charge.

On the back of increased corporate business, Traders Hotel Penang was able to generate a revenue growth of 7% over the prior year first half to RM21.376 million, with pre-tax profit rising by 22% from RM4.286 million to RM5.219 million. The hotel's occupancy was 83% versus 80% in 2013.

The overall performance of Rasa Sayang Resort mainly reflected the negative effects of the renovation programme for all its Garden Wing guestrooms, which started in April 2014. As a result, revenue from the resort showed a 4% drop during the first six months of 2014 to RM35.875 million, while pre-tax profit declined to RM7.644 million from RM9.458 million for the same period in 2013. Occupancy at the resort was 59%, down from 66% in 2013.

The Group's investment properties in Kuala Lumpur had combined rental revenue of RM12.928 million, up 4% on the first six months of 2013, and their pre-tax profit increased to RM7.655 million from RM7.559 million the previous year. Growth came mainly from a stronger contribution from UBN Tower due to higher average rental rates.

In total, the Group's share of net profits from Traders Yangon Company Ltd (TYCL) and Shangri-La Yangon Company Ltd (SYCL), its associates in Myanmar improved to RM1.395 million from RM1.263 million in the half year to 30 June 2013. The share of associate results in the first half 2013 related wholly to the contribution from TYCL as the Group's 22.2% share of results from SYCL was only equity accounted from November 2013, when the Shangri-La Residences commenced business operations. On 28 April 2014, Traders Hotel Yangon, the Group's 23.5% associate hotel held by TYCL was rebranded to Sule Shangri-La Yangon.

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2014

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

B2 Comparison of Group Results 2nd Quarter 2014 vs 1st Quarter 2014

Group revenue for the second quarter ended 30 June 2014 was RM120.662 million, a decrease of 12% compared with RM137.005 million in the first quarter ended 31 March 2014. Correspondingly, Group pre-tax profit for the second quarter 2014 fell by 37% to RM25.405 million from RM40.263 million in the first quarter 2014.

These reductions were primarily due to the significantly lower revenue and profit contributions from Rasa Sayang Resort and Rasa Ria Resort.

During the second quarter, occupancy levels at Rasa Sayang Resort were impacted by the renovation work to its guestrooms in the Garden Wing that began in April 2014. Owing to a material number of rooms being out of saleable inventory from April 2014, the resort saw its occupancy reduce sharply to 44% from 74% in the first quarter 2014, contributing to an overall 36% fall in revenue to RM14.010 million. For Rasa Ria Resort, a slowdown in leisure arrivals led to a decline in occupancy from 85% in the first quarter 2014 to 64%, with revenue down by 14% to RM26.808 million.

Revenues from both Shangri-La Hotel Kuala Lumpur and Golden Sands Resort were also below the levels achieved in the first quarter 2014, with shortfalls resulting from weaker occupancy levels. Occupancy for Shangri-La Hotel Kuala Lumpur in the second quarter 2014 slipped to 76% from 80% in the 2014 first quarter, whilst occupancy at Golden Sands Resort dropped from 82% to 76%. On the other hand, Traders Hotel Penang experienced higher corporate demand and increased its occupancy to 86% from 80%, which helped to achieve a 13% improvement in revenue over the first quarter 2014.

The combined rental revenue from the Group's investment properties in Kuala Lumpur for the three-month period to 30 June 2014 of RM6.483 million was comparable to that of the first quarter 2014.

B3 Prospects for 2014

Looking ahead, despite some economic uncertainties, the overall market conditions for the Group's hotel businesses are expected to stay generally stable during the second half of 2014. The Group's hotels and resorts should continue to benefit from their strong competitive positions and do reasonably well for the remainder of 2014.

Rasa Sayang Resort however, will inevitably see further disruptions to its business operations in the second half of 2014 arising from the significant renovations to its guestrooms in the Garden Wing. The renovation programme, which commenced in April 2014 is scheduled to complete in December 2014.

For the Group's investment properties, occupancy levels at UBN Tower should hold up well, with fairly steady demand conditions in the prime office rental market in Kuala Lumpur, while the outlook for UBN Apartments remains subdued against a challenging market environment.

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2014

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	
	30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000
Current taxation				
- Company and subsidiaries	3,582	5,476	12,462	11,626
Deferred taxation	3,002	1,527	4,185	4,282
(Over)/under provision in respect of prior years				
- Company and subsidiaries	(618)	-	(618)	-
	5,966	7,003	16,029	15,908

The overall effective tax rate of the Group for the first half of the year ended 30 June 2014 was slightly lower at 24% compared against the statutory tax rate of 25%, due mainly to a tax write-back in respect of prior years of a 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 30 June 2014 comprise the following:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	-	-	-
Unsecured	115,580*	-	115,580
	115,580*	-	115,580

* Amounts drawdown consist of HKD50.600 million and USD11.466 million from two offshore banks in Labuan. It also includes USD18.0 million from a local bank.

There were no debt securities in the financial period ended 30 June 2014.

B8 Financial Instruments

Derivatives

There were no outstanding derivative financial instruments as at 30 June 2014.

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 2014.

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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 2014 (2013 interim single tier dividend: 3 sen or 3% per ordinary share). The interim dividend is payable on Friday, 14 November 2014.

NOTICE IS HEREBY GIVEN that the interim dividend will be paid to shareholders whose names appear in the Record of Depositors on Friday, 24 October 2014.

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

- (i) Shares transferred into the Depositor's securities account before 4.00 p.m. on Friday, 24 October 2014 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 2014 have been calculated as follows:-

	3 months ended		6 months ended	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
Profit attributable to shareholders of the Company (RM'000)	17,511	16,579	45,450	40,408
No. of ordinary shares in issue ('000)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (sen)	3.98	3.77	10.33	9.18

Diluted Earnings per Share

Not applicable.

B12 Realised and Unrealised Profits/Losses

	As at 30.6.2014 RM'000	As at 31.12.2013 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	461,205	471,689
- Unrealised	93,179	98,930
	554,384	570,619
Total share of accumulated losses in associated companies		
- Realised	(49,395)	(50,790)
- Unrealised	7,292	7,292
	512,281	527,121
Add : Consolidation adjustments	(122,493)	(116,783)
Total Group retained profits	389,788	410,338

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B13 Notes to the Statements of Comprehensive Income

	3 months ended		6 months ended	
	30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000
Net profit for the period is arrived at after charging:-				
Interest expense	(513)	(307)	(991)	(618)
Depreciation	(13,497)	(13,764)	(27,069)	(27,436)
Foreign exchange loss	(3,280)	(1,926)	(3,866)	(2,511)
Allowance for doubtful debts				
- loans to associates	-	(3,647)	-	(5,147)
- trade receivables	-	(37)	-	(12)
and after crediting:-				
Interest income	843	272	1,485	395
Foreign exchange gain	1,940	3,647	2,300	5,147
Write back of allowance for doubtful debts				
- trade receivables	34	-	99	-

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 2014.

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 2013.

By Order of the Board
Datin Rozina Mohd Amin
Company Secretary

Kuala Lumpur
21 August 2014