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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

Ms KUOK Hui Kwong (Chairman)

Mr LIM Beng Chee (CEO)

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 KUOK Khoon Chen

Mr HO Kian Guan

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

Hong Kong, 18 May 2017

Quarterly rpt on consolidated results for the financial period ended 31 Mar 2017

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Financial Year End 31 Dec 2017
 Quarter 1 Qtr
 Quarterly report for the financial period ended 31 Mar 2017
 The figures have not been audited

Attachments

1st Qtr 31 March 2017 Results.pdf
 484.3 kB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 Mar 2017

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	130,136	135,265	130,136	135,265
2 Profit/(loss) before tax	28,253	30,313	28,253	30,313
3 Profit/(loss) for the period	20,270	21,269	20,270	21,269
4 Profit/(loss) attributable to ordinary equity holders of the parent	19,403	18,932	19,403	18,932
5 Basic earnings/(loss) per share (Subunit)	4.41	4.30	4.41	4.30
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to ordinary equity		2.4281		2.3835

holders of the
parent (\$\$)

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	18 May 2017
Category	Financial Results
Reference Number	FRA-18052017-00022

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		3 months ended	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM'000	RM'000	RM'000	RM'000
Revenue	130,136	135,265	130,136	135,265
Operating profit	26,608	26,591	26,608	26,591
Interest expense	(828)	(625)	(828)	(625)
Interest income	940	881	940	881
Share of results of associated companies	1,533	3,466	1,533	3,466
Profit before tax	28,253	30,313	28,253	30,313
Tax expense	(7,983)	(9,044)	(7,983)	(9,044)
Profit for the period	20,270	21,269	20,270	21,269
<u>Attributable to:</u>				
Shareholders of the Company	19,403	18,932	19,403	18,932
Non-controlling interests	867	2,337	867	2,337
	20,270	21,269	20,270	21,269
Basic Earnings per Ordinary Share (sen)	4.41	4.30	4.41	4.30
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
(10889-U)
(Incorporated in Malaysia)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		3 months ended	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
	RM'000	RM'000	RM'000	RM'000
Profit for the period	20,270	21,269	20,270	21,269
<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	230	-	230	-
Total comprehensive income for the period	20,500	21,269	20,500	21,269
<i>Attributable to:</i>				
Shareholders of the Company	19,633	18,932	19,633	18,932
Non-controlling interests	867	2,337	867	2,337
	20,500	21,269	20,500	21,269

(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
(10889-U)
(Incorporated in Malaysia)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.3.2017 RM'000	As at 31.12.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	736,255	713,232
Investment properties	288,080	288,080
Interest in associates	258,386	260,514
Property development expenditure	12,286	12,286
Deferred tax assets	1,574	1,910
	<u>1,296,581</u>	<u>1,276,022</u>
Current assets		
Inventories	5,624	6,559
Trade and other receivables, prepayments and deposits	34,052	33,966
Tax recoverable	5,622	5,046
Cash and bank balances	127,954	142,768
	<u>173,252</u>	<u>188,339</u>
Total assets	<u>1,469,833</u>	<u>1,464,361</u>
EQUITY		
Capital and reserves		
Share capital	544,501	440,000
Reserves	523,883	608,751
Total equity attributable to shareholders of the Company	<u>1,068,384</u>	<u>1,048,751</u>
Non-controlling interests	114,735	113,868
Total equity	<u>1,183,119</u>	<u>1,162,619</u>
LIABILITIES		
Non-current liabilities		
Retirement benefits	22,102	21,535
Deferred tax liabilities	15,566	14,440
	<u>37,668</u>	<u>35,975</u>
Current liabilities		
Trade and other payables and accruals	75,700	90,735
Short-term borrowings	172,765	174,469
Current tax liabilities	581	563
	<u>249,046</u>	<u>265,767</u>
Total liabilities	<u>286,714</u>	<u>301,742</u>
Total equity and liabilities	<u>1,469,833</u>	<u>1,464,361</u>
Net Assets per Ordinary Share (RM)	2.43	2.38
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 2016)

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 3 months ended 31 March 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	-	-	-	18,932	18,932	2,337	21,269
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	18,932	18,932	2,337	21,269
Balance at 31 March 2016	440,000	104,501	-	506,296	1,050,797	110,381	1,161,178
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	-	-	-	19,403	19,403	867	20,270
Other comprehensive income	-	-	230	-	230	-	230
Total comprehensive income for the period	-	-	230	19,403	19,633	867	20,500
Transfer pursuant to Companies Act 2016 (note a)	104,501	(104,501)	-	-	-	-	-
Balance at 31 March 2017	544,501	-	(1,629)	525,512	1,068,384	114,735	1,183,119

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)

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the 3 months ended 31 March 2017

	31.3.2017	31.3.2016
	RM'000	RM'000
Profit before tax	28,253	30,313
Adjustments for non-cash flow:-		
Non-cash items	17,228	22,020
Non-operating items	(112)	(256)
Operating profit before changes in working capital	45,369	52,077
Changes in working capital		
Net change in current assets	849	(3,041)
Net change in current liabilities	(13,830)	(18,715)
Cash generated from operations	32,388	30,321
Income taxes paid	(7,079)	(5,469)
Retirement benefits paid	(34)	(69)
Net cash inflow from operating activities	25,275	24,783
Investing activities		
Interest income received	940	881
Purchase of property, plant and equipment	(41,000)	(3,245)
Additions to investment properties	-	(82)
Short-term bank deposits with original maturities over 3 months	36,200	-
Net cash outflow from investing activities	(3,860)	(2,446)
Financing activities		
Drawdown of borrowings	799	25,122
Interest expense paid	(828)	(625)
Advances to associates	-	(24,484)
Net cash (outflow)/inflow from financing activities	(29)	13
Net increase in cash & cash equivalents	21,386	22,350
Cash & cash equivalents at beginning of the year	96,328	97,200
Cash & cash equivalents at end of financial period	117,714	119,550
Short-term bank deposits with original maturities over 3 months	10,240	-
Cash and bank balances in the statement of financial position	127,954	119,550

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

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 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 31 March 2017.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 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 31 March 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 first quarter ended 31 March 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 31 March 2017.

A6 Dividends Paid

There was no dividend paid during the financial period ended 31 March 2017.

A7 Segmental Reporting

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

For the period ended 31 March 2017 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment Revenue					
Revenue from external customers	122,932	6,329	875	-	130,136
Inter-segment revenue	-	552	738	(1,290)	-
Total revenue	122,932	6,881	1,613	(1,290)	130,136
Segment Results					
Operating profit	22,592	4,333	444	(761)	26,608
Interest expense	(1,279)	-	(827)	1,278	(828)
Interest income	2,212	95	20	(1,387)	940
Share of results of associated companies	360	1,173	-	-	1,533
Profit before tax	23,885	5,601	(363)	(870)	28,253

As at 31 March 2017 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets					
Segment assets	1,226,298	313,769	13,918	(342,538)	1,211,447
Interest in associates	15,790	242,596	-	-	258,386
Total assets	1,242,088	556,365	13,918	(342,538)	1,469,833

A8 Material Events Subsequent to the End of the Current Financial Period

In the opinion of the Directors, there was no item or event of a material or unusual nature which has occurred between 31 March 2017 and the date of this report that would materially affect the results of the Group for the financial period ended 31 March 2017.

A9 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2017.

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.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

NOTES PURSUANT TO MFRS 134

A11 Capital Commitments

Capital commitments for property, plant and equipment and investment properties not provided for as at 31 March 2017 are as follows:-

	RM'000
Authorised and contracted for	52,418
Authorised but not contracted for	38,735
	91,153

A12 Related Party Transactions

3 months ended 31.3.2017

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

4,412

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

673

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

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

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

In the first quarter to 31 March 2017, Group revenue fell by 4% to RM130.136 million from RM135.265 million for the same quarter in 2016, primarily reflecting a decline in revenue at Shangri-La Hotel Kuala Lumpur and Hotel Jen Penang as a result of major renovations.

Net profit attributable to shareholders for the quarter, however, rose by 2% to RM19.403 million from RM18.932 million in 2016, mainly due to a significantly lower net unrealised foreign exchange translation loss of RM1.388 million on the Group's US dollar loans to its associates, versus a net loss of RM9.186 million the previous year.

This, along with a reduced tax expense and lower non-controlling interests helped to offset the weaker contributions from Shangri-La Hotel Kuala Lumpur and Hotel Jen Penang, as well as from the Group's associated companies in Myanmar.

During the quarter, revenue from Shangri-La Hotel Kuala Lumpur was down by 10% to RM40.366 million, with a lower performance by its food and beverage operations as the ballroom, function rooms and all-day dining restaurant remained closed for major upgrade in the first two months of 2017. Pre-tax profit of the hotel was RM6.736 million, a decrease of 34% against the prior year's profit. Occupancy of the hotel for the quarter was 70%.

At Hotel Jen Penang, the impact of its ongoing phased renovation of all guestrooms led to a reduction in occupancy from 57% in the first quarter 2016 to 51%, with revenue falling by 9% to RM6.318 million. The hotel reported a pre-tax loss of RM3.034 million in the first quarter 2017.

Revenue for Rasa Ria Resort slipped by 4% to RM34.895 million in the first three months of 2017, following a drop in both food and beverage sales and in the average room rate. The resort's pre-tax profit was RM11.288 million, 12% lower than in the first quarter 2016. Occupancy at the resort was 82%, compared to 74% in 2016.

The overall revenue of Rasa Sayang Resort showed a 2% improvement over the first quarter 2016 to RM23.881 million, mainly driven by a good growth in food and beverage business. The resort achieved a pre-tax profit of RM7.093 million, 9% better than in 2016. Occupancy at the resort for the quarter remained flat at 84%.

Golden Sands Resort saw revenue rise by 5% to RM15.939 million, supported by a higher occupancy of 83%, compared to 80% for the first quarter 2016. The resort's pre-tax profit of RM4.639 million was comparable to that in the same quarter last year.

The Group's investment properties in Kuala Lumpur posted a higher combined rental revenue of RM6.881 million, and pre-tax profit was up by 10% from the first quarter 2016 to RM4.428 million. Growth was helped by improved rental rates at UBN Tower, as well as by the receipt of a rebate on property assessment payments made in respect of prior years.

In the first quarter ended 31 March 2017, the Group's share of profits from its associates declined to RM1.533 million from RM3.466 million for the corresponding quarter in 2016, reflecting a weaker performance by Sule Shangri-La Yangon, as well as a negative contribution from Sule Square, the Group's associate hotel and commercial complex in Yangon respectively.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

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

B2 Comparison of Group Results 1st Quarter 2017 vs 4th Quarter 2016

The Group's revenue for the first quarter ended 31 March 2017 was RM130.136 million, up 9% from RM119.462 million in the fourth quarter ended 31 December 2016. In tandem, Group pre-tax profit for the first quarter 2017 rose to RM28.253 million, compared with RM12.196 million for the fourth quarter 2016.

The first quarter results were lifted mainly by strong performances by Rasa Ria Resort and Rasa Sayang Resort. This was further boosted by the Group's share of profits of RM1.533 million from associated companies, as compared to its share of losses of RM5.837 million in the fourth quarter 2016, which had included a net fair value loss of RM7.730 million in respect of the investment properties held by the Group's associates.

In the first quarter 2017, Rasa Ria Resort increased revenue by 28% to RM34.895 million, on the back of a robust growth in occupancy from 62% for the fourth quarter 2016 to 82%. Revenue at Rasa Sayang Resort rose by 10% from the fourth quarter 2016 to RM23.881 million, benefiting from an improvement in occupancy to 84% from 74%. Likewise, Golden Sands Resort had a higher occupancy of 83% versus 79%, leading to a growth of 3% in revenue over the fourth quarter 2016.

Additionally, Shangri-La Hotel Kuala Lumpur was able to generate a small revenue increase of 1% to RM40.366 million, compared with the 2016 fourth quarter, following the completion of the renovation programme for its banqueting facilities and all-day dining restaurant at the end of February 2017. Hotel Jen Penang posted a decline in revenue against the fourth quarter 2016, with business levels held back by the disruptions caused by the major renovation work to all its guestrooms.

The combined rental revenue from the Group's investment properties in Kuala Lumpur of RM6.881 million was slightly higher than RM6.801 million recorded in the fourth quarter 2016.

B3 Prospects for 2017

Moving ahead, the Group's hotel businesses as a whole should continue to benefit from the encouraging trends in leisure travel and from some recovery in corporate demand. In late February 2017, Shangri-La Hotel Kuala Lumpur completed the programme to extensively upgrade its ballroom, function rooms and all-day dining restaurant, which started in November 2016. The newly renovated facilities are expected to make a positive impact on the hotel's overall revenue and profit in 2017.

The major renovation of the guestrooms currently in progress at Hotel Jen Penang will have a dampening effect on the operating performance of the hotel. The renovation programme, which began in July 2016 is scheduled for full completion by the middle of 2017.

Occupancy levels at UBN Tower should continue to hold up well as the prime office rental market in Kuala Lumpur is likely to be generally stable through 2017, while the performance of UBN Apartments will remain subdued in a challenging operating environment.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 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		3 months ended	
	31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
Current taxation				
- Company and subsidiaries	6,521	5,785	6,521	5,785
Deferred taxation	1,462	3,834	1,462	3,834
(Over)/under provision in respect of prior years				
- Company and subsidiaries	-	(575)	-	(575)
	7,983	9,044	7,983	9,044

The effective tax rate on the Group's profit before tax for the first three months to 31 March 2017 was 28%, compared to the statutory tax rate of 24%. This rate was higher mainly because the net losses incurred by some subsidiaries during the quarter cannot be offset against the taxable profits of the other subsidiaries, and that the net unrealised foreign currency translation loss on the Group's US dollar loans to its associates is 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 31 March 2017 were as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	-	-	-
Unsecured	172,765*	-	172,765
	172,765*	-	172,765

* Amounts drawdown comprised HKD42.8 million and USD15.553 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 31 March 2017.

B8 Financial Instruments

Derivatives

There were no outstanding derivative financial instruments as at 31 March 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 31 March 2017.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

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

No interim dividend has been declared for the financial period ended 31 March 2017.

B11 Earnings per Share

The basic earnings per ordinary share for the three (3) months ended 31 March 2017 have been calculated as follows:-

	3 months ended		3 months ended	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
Profit attributable to shareholders of the Company (RM'000)	19,403	18,932	19,403	18,932
No. of ordinary shares in issue ('000)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (<i>sen</i>)	4.41	4.30	4.41	4.30

Diluted Earnings per Share

Not applicable.

B12 Realised and Unrealised Profits/Losses

	As at 31.3.2017 RM'000	As at 31.12.2016 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	557,260	534,802
- Unrealised	140,134	142,985
	697,394	677,787
Total share of accumulated losses in associated companies		
- Realised	(29,636)	(31,169)
- Unrealised	12,872	12,872
	680,630	659,490
Add : Consolidation adjustments	(155,118)	(153,381)
Total Group retained profits	525,512	506,109

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

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		3 months ended	
	31.3.2017 RM'000	31.3.2016 RM'000	31.3.2017 RM'000	31.3.2016 RM'000
Net profit for the period is arrived at after charging:-				
Interest expense	(828)	(625)	(828)	(625)
Depreciation	(15,120)	(15,614)	(15,120)	(15,614)
Foreign exchange loss	(3,891)	(23,380)	(3,891)	(23,380)
Allowance for doubtful debts - trade receivables	-	(128)	-	(128)
and after crediting:-				
Interest income	940	881	940	881
Foreign exchange gain	2,503	14,194	2,503	14,194
Write back of allowance for doubtful debts - trade receivables	58	-	58	-

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 31 March 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
18 May 2017