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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 LIU Kung Wei Christopher (MD & COO)

Mr LUI Man Shing

Mr Madhu Rama Chandra RAO

Independent non-executive directors

Mr Alexander Reid HAMILTON

Mr Timothy David DATTELS

Professor LI Kwok Cheung Arthur

Dr LEE Kai-Fu

Non-executive directors

Mr KUOK Khoon Chen

Mr HO Kian Guan

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

Hong Kong, 28 February 2017

Quarterly rpt on consolidated results for the financial period ended 31 Dec 2016

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Financial Year End 31 Dec 2016
 Quarter 4 Qtr
 Quarterly report for the financial period ended 31 Dec 2016
 The figures have not been audited

Attachments
4th Qtr 31 December 2016 Results.pdf 498.1 KB

Default Currency	Other Currency
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Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION
31 Dec 2016

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	119,462	133,952	508,559	500,253
2 Profit/(loss) before tax	12,196	43,951	106,277	153,641
3 Profit/(loss) for the period	14,519	50,358	84,984	138,266
4 Profit/(loss) attributable to ordinary equity holders of the parent	14,321	46,582	79,243	129,686
5 Basic earnings/(loss) per share (Subunit)	3.25	10.59	18.01	29.47
6 Proposed/Declared dividend per share (Subunit)	11.00	11.00	14.00	14.00
	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 (\$\$)		2.3835		2.3451

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	28 Feb 2017
Category	Financial Results
Reference Number	FRA-28022017-00037

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		12 months ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RM'000	RM'000	RM'000	RM'000
Revenue	119,462	133,952	508,559	500,253
Operating profit	17,687	22,090	105,713	126,230
Interest expense	(775)	(462)	(2,697)	(1,667)
Interest income	1,121	609	4,157	1,659
Share of results of associated companies	(5,837)	21,714	(896)	27,419
Profit before tax	12,196	43,951	106,277	153,641
Tax expense	2,323	6,407	(21,293)	(15,375)
Profit for the period/year	14,519	50,358	84,984	138,266
<u>Attributable to:</u>				
Shareholders of the Company	14,321	46,582	79,243	129,686
Non-controlling interests	198	3,776	5,741	8,580
	14,519	50,358	84,984	138,266
Basic Earnings per Ordinary Share (sen)	3.25	10.59	18.01	29.47
Diluted Earnings per Ordinary Share (sen)	NA	NA	NA	NA

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015)

NA - not applicable

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		12 months ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year	14,519	50,358	84,984	138,266
<u>Other comprehensive income/(expense)</u>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of financial statements of overseas associates	(1,859)	-	(1,859)	-
<i>Item that will not be reclassified to profit or loss:</i>				
Remeasurements of defined benefit retirement obligations, net of tax	1,185	-	1,185	-
Total comprehensive income for the period/year	13,845	50,358	84,310	138,266
<i>Attributable to:</i>				
Shareholders of the Company	13,564	46,582	78,486	129,686
Non-controlling interests	281	3,776	5,824	8,580
	13,845	50,358	84,310	138,266

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2016 RM'000	As at 31.12.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	713,232	746,294
Investment properties	288,080	287,980
Interest in associates	260,514	226,090
Property development expenditure	12,286	12,286
Deferred tax assets	1,910	5,189
	<u>1,276,022</u>	<u>1,277,839</u>
Current assets		
Inventories	6,559	8,242
Trade and other receivables, prepayments and deposits	33,966	32,327
Tax recoverable	5,046	4,552
Cash and bank balances	142,768	97,200
	<u>188,339</u>	<u>142,321</u>
Total assets	<u>1,464,361</u>	<u>1,420,160</u>
EQUITY		
Capital and reserves		
Share capital	440,000	440,000
Reserves	608,751	591,865
Total equity attributable to shareholders of the Company	<u>1,048,751</u>	<u>1,031,865</u>
Non-controlling interests	113,868	108,044
Total equity	<u>1,162,619</u>	<u>1,139,909</u>
LIABILITIES		
Non-current liabilities		
Retirement benefits	21,535	21,322
Deferred tax liabilities	14,440	18,334
	<u>35,975</u>	<u>39,656</u>
Current liabilities		
Trade and other payables and accruals	90,735	100,351
Short-term borrowings	174,469	138,917
Current tax liabilities	563	1,327
Dividend payable	-	-
	<u>265,767</u>	<u>240,595</u>
Total liabilities	<u>301,742</u>	<u>280,251</u>
Total equity and liabilities	<u>1,464,361</u>	<u>1,420,160</u>
Net Assets per Ordinary Share (RM) Attributable to Shareholders of the Company	2.38	2.35

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2016

<i>All figures in RM'000</i>	<u>Attributable to Shareholders of the Company</u>				Total equity attributable to shareholders of the Company	Non-controlling interests	Total equity
	Share capital	Share premium	Exchange Translation Reserve	Retained earnings			
	← Non-distributable →			← Distributable →			
Balance at 1 January 2015	440,000	104,501	-	410,478	954,979	100,164	1,055,143
Net profit for the year	-	-	-	129,686	129,686	8,580	138,266
Other comprehensive income/(expense) for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	129,686	129,686	8,580	138,266
Dividends							
- Final dividend for the financial year ended 31.12.2014 paid on 30.6.2015	-	-	-	(39,600)	(39,600)	-	(39,600)
- Interim dividend for the financial year ended 31.12.2015 paid on 17.11.2015	-	-	-	(13,200)	(13,200)	-	(13,200)
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	(700)	(700)
Balance at 31 December 2015	440,000	104,501	-	487,364	1,031,865	108,044	1,139,909
Balance at 1 January 2016	440,000	104,501	-	487,364	1,031,865	108,044	1,139,909
Net profit for the year	-	-	-	79,243	79,243	5,741	84,984
Remeasurements of net defined benefit retirement obligations	-	-	-	1,102	1,102	83	1,185
Foreign currency translation differences	-	-	(1,859)	-	(1,859)	-	(1,859)
Total comprehensive income/(expense) for the year	-	-	(1,859)	80,345	78,486	5,824	84,310
Dividends							
- Final dividend for the financial year ended 31.12.2015 paid on 30.6.2016	-	-	-	(48,400)	(48,400)	-	(48,400)
- Interim dividend for the financial year ended 31.12.2016 paid on 17.11.2016	-	-	-	(13,200)	(13,200)	-	(13,200)
Balance at 31 December 2016	440,000	104,501	(1,859)	506,109	1,048,751	113,868	1,162,619

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2016

	31.12.2016	31.12.2015
	RM'000	RM'000
Profit before tax	106,277	153,641
Adjustments for non-cash flow:-		
Non-cash items	66,669	18,589
Non-operating items	(1,460)	8
Operating profit before changes in working capital	171,486	172,238
Changes in working capital		
Net change in current assets	(100)	(5,535)
Net change in current liabilities	(2,904)	4,526
Cash generated from operations	168,482	171,229
Income taxes paid	(23,588)	(24,619)
Retirement benefits paid	(497)	(583)
Net cash inflow from operating activities	144,397	146,027
Investing activities		
Interest income received	4,157	1,659
Purchase of property, plant and equipment	(40,588)	(52,368)
Additions to investment properties	(82)	(550)
Short-term bank deposits with original maturities over 3 months	(46,440)	-
Net cash outflow from investing activities	(82,953)	(51,259)
Financing activities		
Dividends paid to shareholders of the Company	(61,600)	(52,800)
Dividend paid to non-controlling shareholder of a subsidiary	(700)	(1,000)
Drawdown of borrowings	27,165	47,918
Repayment of borrowings	-	(15,384)
Interest expense paid	(2,697)	(1,667)
Advances to associates	(24,484)	(46,770)
Repayment of loans by associates	-	15,540
Net cash outflow from financing activities	(62,316)	(54,163)
Net (decrease)/increase in cash & cash equivalents	(872)	40,605
Cash & cash equivalents at beginning of the year	97,200	56,595
Cash & cash equivalents at end of financial year	96,328	97,200
Short-term bank deposits with original maturities over 3 months	46,440	-
Cash and bank balances in the statement of financial position	142,768	97,200

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2015)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
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NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”)

A1 Accounting Policies

The condensed consolidated interim financial statements of the Group for the current reporting period have been prepared in accordance with MFRS 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2015. These condensed consolidated interim financial statements also comply with IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

Except as 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 2015.

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 2016.

Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 119	Employee Benefits
Amendments to MFRS 127	Separate Financial Statements
Amendments to MFRS 134	Interim Financial Reporting

The adoption of 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 12	Disclosure of Interests in Other Entities	1 January 2017
Amendments to MFRS 107	Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2016

NOTES PURSUANT TO MFRS 134

A1.1 MFRS and Amendments Issued But Not Yet Effective (Cont'd)

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 year ended 31 December 2016.

A3 Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the financial year ended 31 December 2016.

A4 Material Changes in Estimates

There were no changes in estimates of amounts reported in prior interim periods or changes in estimates of amounts reported in prior financial years, which have a material effect on the financial statements for the fourth quarter ended 31 December 2016.

A5 Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial year ended 31 December 2016.

A6 Dividends Paid

A final single tier dividend of 11% or 11 sen per share for the financial year ended 31 December 2015 amounting to RM48.400 million was paid on 30 June 2016. An interim single tier dividend of 3% or 3 sen per share amounting to RM13.200 million for the year ended 31 December 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 year ended 31 December 2016 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment Revenue					
Revenue from external customers	479,766	25,189	3,604	-	508,559
Inter-segment revenue	44,550	2,127	2,817	(49,494)	-
Total revenue	524,316	27,316	6,421	(49,494)	508,559
Segment Results					
Operating profit	137,593	15,763	(51)	(47,592)	105,713
Interest expense	(3,999)	-	(2,693)	3,995	(2,697)
Interest income	7,735	372	61	(4,011)	4,157
Share of results of associated companies	714	(1,610)	-	-	(896)
Profit before tax	142,043	14,525	(2,683)	(47,608)	106,277

As at 31 December 2016 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets					
Segment assets	1,194,263	312,789	14,123	(317,328)	1,203,847
Interest in associates	15,651	244,863	-	-	260,514
Total assets	1,209,914	557,652	14,123	(317,328)	1,464,361

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NOTES PURSUANT TO MFRS 134

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

In the opinion of the Directors, there was no item or event of a material or unusual nature which has occurred between 31 December 2016 and the date of this report that would materially affect the results of the Group for the financial year ended 31 December 2016.

A9 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial year ended 31 December 2016.

A10 Changes in Contingent Liabilities or Contingent Assets

There have been no changes in the contingent liabilities or assets of the Group since the last annual balance sheet date as at 31 December 2015 to the date of this report.

A11 Capital Commitments

Capital commitments for property, plant and equipment and investment properties not provided for as at 31 December 2016 are as follows:-

	RM'000
Authorised and contracted for	88,977
Authorised but not contracted for	42,070
	131,047

A12 Related Party Transactions

12 months ended 31.12.2016

RM'000

Transactions with subsidiaries of the ultimate holding company

Payment of management, marketing and reservation fees to Shangri-La International Hotel Management Ltd and Shangri-La International Hotel Management Pte Ltd, wholly-owned subsidiaries of Shangri-La Asia Limited	16,374
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Transactions with corporations in which Mdm Kuok Oon Kwong,

Director of the Company, has direct or indirect financial interests

Office rental income received from Kuok Brothers Sdn Bhd, PPB Group Berhad, PPB Oil Palms Berhad, PGEO Marketing Sdn Bhd, Chemquest Sdn Bhd and Southern Marina Development Sdn Bhd	2,692
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Transactions with associates of the Group

Additional loans advanced by Madarac Corporation, the Group's wholly-owned subsidiary incorporated in the British Virgin Islands to its associated companies in Myanmar	24,484
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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 Full Year 2016 vs Full Year 2015

In the full year ended 31 December 2016, Group revenue increased by 2% to RM508.559 million, compared with RM500.253 million in 2015.

Group pre-tax profit for the full year was RM106.277 million, a decrease of 31% from RM153.641 million in 2015.

The Group's net profit attributable to shareholders for 2016 of RM79.243 million was down by 39% from RM129.686 million in 2015, mainly as a result of :-

- i) a net charge for non-operating items of RM7.730 million in respect of share of net fair value losses on the revaluation of the investment properties held through associates in Myanmar, versus share of net fair value gains of RM19.060 million recorded in 2015.
- ii) a lower net unrealised foreign exchange translation gain of RM4.308 million on the Group's US dollar loans to its associates, as compared to a net gain of RM18.380 million in 2015.
- iii) a decline in contributions from Shangri-La Hotel Kuala Lumpur and Hotel Jen Penang due to major renovations, partly mitigated by a strong growth in the operating results from the Group's resorts in Sabah and Penang.

In the year, Rasa Ria Resort saw its revenue grow by 12% to RM128.242 million, with pre-tax profit rising by 39% from 2015 to RM33.764 million. Increased visitor arrivals from its key markets helped lift the resort's occupancy to 70% from 63% in the prior year.

On the back of higher leisure business, Rasa Sayang Resort grew its revenue by 10% in the year to RM85.017 million, and pre-tax profit improved by 14% to RM18.485 million, compared with 2015. Occupancy at the resort was 75%, up from 67% in 2015.

At Golden Sands Resort, stronger demand from the domestic leisure segment delivered a 15% revenue increase to RM60.783 million, with pre-tax profit up 48% on 2015 to RM15.938 million. The resort's occupancy rose to 80% from 70% the previous year.

Revenue for Shangri-La Hotel Kuala Lumpur fell during the year by 8% to RM172.535 million, as the hotel's food and beverage business was affected by the closure of its ballroom, function rooms and all-day dining restaurant for major renovation from early November 2016. Pre-tax profit of the hotel was RM33.749 million, 26% lower than in 2015. The hotel's occupancy for the year remained stable at 70%.

Business levels for Hotel Jen Penang were held back by the guestroom renovation work that started in July 2016, and also by lacklustre corporate demand. The hotel's occupancy dropped to 57% from 71% in 2015, with revenue down by 20% to RM28.098 million. The hotel posted a pre-tax loss of RM4.054 million, compared to a profit of RM3.625 million in 2015.

The combined rental revenue from the investment properties of the Group in 2016 showed a modest increase of 1% to RM27.316 million, and pre-tax profit improved from the prior year to RM16.117 million, supported by a higher contribution from UBN Tower.

The Group's share of results from associates in Myanmar was a loss of RM0.896 million against a profit of RM27.419 million in 2015, driven by the impact of net fair value losses arising from the year-end revaluation of the Shangri-La Serviced Apartments and Sule Square, a commercial complex in Yangon. The Sule Square, which consists of 15 floors of offices and 3 floors of retail space opened for business on 1 December 2016.

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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 4th Quarter 2016 vs 3rd Quarter 2016

Group revenue for the fourth quarter to 31 December 2016 was RM119.462 million, 16% below that of RM142.266 million in the third quarter ended 30 September 2016. The Group's net profit in the fourth quarter 2016 fell in tandem to RM14.321 million, compared with RM29.884 million for the third quarter 2016.

The results for the fourth quarter reflected lower operating performances across all of the Group's hotel businesses. This was in part cushioned by a reduced tax charge and by a favourable currency translation effect on the Group's US dollar loans to its associated companies.

In the quarter, occupancy at Rasa Ria Resort decreased to 62% from 81% in the third quarter 2016 in line with a fall in leisure arrivals from its key markets, leading to a 31% drop in overall revenue to RM27.157 million.

Both Rasa Sayang Resort and Golden Sands Resort also recorded revenue declines against the third quarter 2016 reflecting softer occupancy levels. At Rasa Sayang Resort, occupancy dropped to 74% from 83%, while occupancy at Golden Sands Resort fell to 79% versus 93% in the third quarter 2016.

Performances by Shangri-La Hotel Kuala Lumpur and Hotel Jen Penang during the fourth quarter were negatively affected by renovation disruptions, with a consequent reduction in both revenue and profit when compared to the third quarter 2016.

The combined rental revenue for the Group's investment properties in Kuala Lumpur of RM6.801 million was slightly higher as compared with RM6.749 million in the third quarter 2016.

B3 Prospects for 2017

In 2017, the Group's hotel businesses are expected to benefit from the continuing positive trends in the leisure markets and from some improvements in corporate travel demand. Shangri-La Hotel Kuala Lumpur should deliver an improved operating result, with the completion at end-February 2017 of the extensive renovations to its ballroom, function rooms and all-day dining restaurant.

The ongoing major renovation of all guestrooms at Hotel Jen Penang is due to be fully completed only by the middle of 2017. This, along with the refurbishment of certain public areas in the hotel which are planned to be undertaken during 2017 will weigh on its overall performance.

As for the Group's investment properties in Kuala Lumpur, UBN Tower should continue to maintain stable occupancy levels, while the prospects for UBN Apartments will remain subdued amid continued challenging market conditions.

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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

B4 Variance on Profit Forecast/Profit Guarantee
 Not applicable.

B5 Taxation
 The tax charge of the Group for the financial period/year under review is as follows:-

	3 months ended		12 months ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Current taxation				
- Company and subsidiaries	4,412	6,021	23,662	24,051
Deferred taxation	(2,876)	(10,571)	2,561	(6,837)
(Over)/under provision in respect of prior years				
- Company and subsidiaries	(3,859)	(1,857)	(4,930)	(1,839)
	(2,323)	(6,407)	21,293	15,375

For the full year ended 31 December 2016, the Group had an effective tax rate of 20%, compared with the statutory tax rate of 24%. The effective rate in the year was mainly reduced by the availability of ITA (Investment Tax Allowance) tax incentives in two subsidiary hotels as well as by the net unrealised foreign exchange gain from the translation of the Group's US dollar loans to associates in Myanmar, which is not subject to tax.

B6 Status of Corporate Proposals
 There were no corporate proposals and unutilised proceeds raised from any corporate proposals as at the date of this report.

B7 Group Borrowings and Debt Securities
 Group borrowings as at 31 December 2016 were as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	-	-	-
Unsecured	174,469*	-	174,469
	174,469*	-	174,469

* Amounts drawdown comprised HKD42.8 million and USD15.373 million from two offshore banks in Labuan, and USD18.0 million from a local bank.

There were no debt securities in the financial year ended 31 December 2016.

B8 Financial Instruments
Derivatives

There were no outstanding derivative financial instruments as at 31 December 2016.

Gains/losses arising from fair value changes of financial liabilities

There were no gains/losses arising from fair value changes of financial liabilities for the financial year ended 31 December 2016.

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

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

B9 Changes in Material Litigation

There was no material litigation pending as at the date of this report.

B10 Dividend

The Directors are recommending a final single tier dividend of 11 sen per share for the financial year ended 31 December 2016 (2015: final single tier dividend of 11 sen per share) for approval by shareholders at the forthcoming Annual General Meeting of the Company to be held on Thursday, 18 May 2017.

The proposed final single tier dividend of 11 sen per share, together with the interim single tier dividend of 3 sen per share paid on 17 November 2016, will give a total dividend of 14 sen per share for the financial year ended 31 December 2016 (2015: a total dividend of 14 sen per share, comprising an interim single tier of 3 sen per share and a final single tier of 11 sen per share). The proposed final single tier dividend of 11 sen per share, if approved at the Annual General Meeting will be paid on Friday, 30 June 2017.

NOTICE IS HEREBY GIVEN that the proposed final single tier dividend of 11 sen per share for the financial year ended 31 December 2016 will be payable to shareholders whose names appear on the Record of Depositors on Tuesday, 6 June 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, 6 June 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 financial year ended 31 December 2016 have been calculated as follows:-

	3 months ended		12 months ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Profit attributable to shareholders of the Company (<i>RM'000</i>)	14,321	46,582	79,243	129,686
No. of ordinary shares in issue (<i>'000</i>)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (<i>sen</i>)	3.25	10.59	18.01	29.47

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 31.12.2016 RM'000	As at 31.12.2015 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	534,802	511,220
- Unrealised	142,985	138,044
	677,787	649,264
Total share of accumulated losses in associated companies		
- Realised	(31,169)	(38,003)
- Unrealised	12,872	20,602
	659,490	631,863
Add : Consolidation adjustments	(153,381)	(144,499)
Total Group retained profits	506,109	487,364

B13 Notes to the Statement of Comprehensive Income

	3 months ended		12 months ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Net profit for the period/year is arrived at after charging:-				
Interest expense	(775)	(462)	(2,697)	(1,667)
Depreciation	(14,792)	(16,164)	(61,007)	(61,950)
Foreign exchange loss	-	(5,167)	(8,387)	(20,577)
Allowance for doubtful debts - trade receivables	-	-	(144)	(56)
and after crediting:-				
Interest income	1,121	609	4,157	1,659
Foreign exchange gain	8,343	2,981	12,970	39,434
Write back of allowance for doubtful debts - trade receivables	40	16	-	-

Other than the above which have been included in the statement of comprehensive income, there were no impairment of assets, gain or loss on disposal of quoted or unquoted investments or properties and exceptional items for the financial year ended 31 December 2016.

B14 Audit Report of the Group's Preceding Annual Financial Statements

There was no qualification in the audit report of the Group's financial statements for the year ended 31 December 2015.

By Order of the Board
Datin Rozina Mohd Amin
Company Secretary

Kuala Lumpur
28 February 2017

Final Dividend

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

EX-date	02 Jun 2017
Entitlement date	06 Jun 2017
Entitlement time	04:00 PM
Entitlement subject	Final Dividend
Entitlement description	Final single tier dividend of 11 sen per ordinary share
Period of interest payment	to
Financial Year End	31 Dec 2016
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 50250 Kuala Lumpur Tel: 03-2726 0088 Fax: 03-2726 0099
Payment date	30 Jun 2017
a. Securities transferred into the Depositor's Securities Account before 4:00 pm in respect of transfers	06 Jun 2017
b. Securities deposited into the Depositor's Securities Account before 12:30 pm in respect of securities exempted from mandatory deposit	
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	0.11
Par Value	Malaysian Ringgit (MYR) 0.000

Remarks :

Arising from the migration to the no par value regime under the Companies Act 2016, par value is no longer relevant.

Announcement Info

Company Name	SHANGRI-LA HOTELS (MALAYSIA) BERHAD
Stock Name	SHANG
Date Announced	28 Feb 2017
Category	Entitlement(Notice of Book Closure)
Reference Number	ENT-24022017-00004