

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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](http://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.

Hong Kong, 28 February 2019

*As at the date hereof, the directors of the Company are:*

Executive director(s)

*Ms KUOK Hui Kwong (Chairman)*

*Mr LIM Beng Chee (CEO)*

*Mr LUI Man Shing*

Non-executive director(s)

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

Independent non-executive director(s)

*Mr Alexander Reid HAMILTON*

*Professor LI Kwok Cheung Arthur*

*Dr LEE Kai-Fu*

*Mr YAP Chee Keong*

**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 2018**

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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	<b>135,123</b>	<b>140,141</b>	<b>550,848</b>	<b>550,565</b>
Operating profit before exceptional item	18,698	21,075	118,615	114,381
Exceptional item	(1,439)	-	(1,439)	-
Operating profit	<b>17,259</b>	<b>21,075</b>	<b>117,176</b>	<b>114,381</b>
Interest expense	(1,415)	(982)	(4,907)	(3,767)
Interest income	2,166	1,265	7,352	4,279
Share of results of associated companies	(10,800)	(6,066)	(11,673)	(5,233)
<b>Profit before tax</b>	<b>7,210</b>	<b>15,292</b>	<b>107,948</b>	<b>109,660</b>
Tax expense	(7,288)	(1,898)	(28,479)	(27,640)
<b>Profit/(Loss) for the period/year</b>	<b>(78)</b>	<b>13,394</b>	<b>79,469</b>	<b>82,020</b>
<u>Attributable to:</u>				
Shareholders of the Company	(856)	9,523	70,554	72,198
Non-controlling interests	778	3,871	8,915	9,822
	<b>(78)</b>	<b>13,394</b>	<b>79,469</b>	<b>82,020</b>
Basic Earnings per Ordinary Share (sen)	(0.19)	2.16	16.04	16.41
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 2017)*

NA - not applicable

**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 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 months ended		12 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) for the period/year	(78)	13,394	79,469	82,020
<b><u>Other comprehensive income/(expense)</u></b>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of financial statements of overseas associates	(253)	950	(723)	1,906
<b>Total comprehensive income/(expense) for the period/year</b>	<b>(331)</b>	<b>14,344</b>	<b>78,746</b>	<b>83,926</b>
<u>Attributable to:</u>				
Shareholders of the Company	(1,109)	10,473	69,831	74,104
Non-controlling interests	778	3,871	8,915	9,822
	<b>(331)</b>	<b>14,344</b>	<b>78,746</b>	<b>83,926</b>

*(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017)*

**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 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	704,991	734,645
Investment properties	288,340	288,180
Interest in associates	210,039	218,657
Property development expenditure	12,286	12,286
Deferred tax assets	9,440	9,035
	<u>1,225,096</u>	<u>1,262,803</u>
<b>Current assets</b>		
Inventories	4,261	5,343
Trade and other receivables, prepayments and deposits	38,040	35,201
Tax recoverable	8,112	6,596
Short-term fund placements	205,245	-
Cash and bank balances	28,467	175,555
	<u>284,125</u>	<u>222,695</u>
<b>Total assets</b>	<u>1,509,221</u>	<u>1,485,498</u>
<b>EQUITY</b>		
<b>Capital and reserves</b>		
Share capital	544,501	544,501
Reserves	520,585	516,754
<b>Total equity attributable to shareholders of the Company</b>	<u>1,065,086</u>	<u>1,061,255</u>
Non-controlling interests	132,105	123,690
<b>Total equity</b>	<u>1,197,191</u>	<u>1,184,945</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Retirement benefits	24,572	23,152
Deferred tax liabilities	22,007	19,884
	<u>46,579</u>	<u>43,036</u>
<b>Current liabilities</b>		
Trade and other payables and accruals	88,721	106,060
Contract liabilities	17,756	-
Short-term borrowings	157,523	149,262
Current tax liabilities	1,451	2,195
	<u>265,451</u>	<u>257,517</u>
<b>Total liabilities</b>	<u>312,030</u>	<u>300,553</u>
<b>Total equity and liabilities</b>	<u>1,509,221</u>	<u>1,485,498</u>
Net Assets per Ordinary Share (RM)	2.42	2.41
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 2017)*

**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 2018**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 December 2018

<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 →			
<b>Balance at 1 January 2017</b>	440,000	104,501	(1,859)	506,109	1,048,751	113,868	1,162,619
Net profit for the year	-	-	-	72,198	72,198	9,822	82,020
Foreign currency translation differences	-	-	1,906	-	1,906	-	1,906
<b>Total comprehensive income for the year</b>	-	-	1,906	72,198	74,104	9,822	83,926
Transfer pursuant to Companies Act 2016 (note a)	104,501	(104,501)	-	-	-	-	-
Dividends							
- Final dividend for the financial year ended 31.12.2016 paid on 30.6.2017	-	-	-	(48,400)	(48,400)	-	(48,400)
- Interim dividend for the financial year ended 31.12.2017 paid on 14.11.2017	-	-	-	(13,200)	(13,200)	-	(13,200)
<b>Balance at 31 December 2017</b>	544,501	-	47	516,707	1,061,255	123,690	1,184,945
<b>Balance at 1 January 2018</b>	544,501	-	47	516,707	1,061,255	123,690	1,184,945
Net profit for the year	-	-	-	70,554	70,554	8,915	79,469
Foreign currency translation differences	-	-	(723)	-	(723)	-	(723)
<b>Total comprehensive income/(expense) for the year</b>	-	-	(723)	70,554	69,831	8,915	78,746
Dividends							
- Final dividend for the financial year ended 31.12.2017 paid on 2.7.2018	-	-	-	(52,800)	(52,800)	-	(52,800)
- Interim dividend for the financial year ended 31.12.2018 paid on 23.11.2018	-	-	-	(13,200)	(13,200)	-	(13,200)
Dividend payable to non-controlling interests of a subsidiary	-	-	-	-	-	(500)	(500)
<b>Balance at 31 December 2018</b>	544,501	-	(676)	521,261	1,065,086	132,105	1,197,191

**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 2017, 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 2017)*

**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 2018**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
For the year ended 31 December 2018

	31.12.2018	31.12.2017
	RM'000	RM'000
<b>Profit before tax</b>	107,948	109,660
<b>Adjustments for non-cash flow:-</b>		
Non-cash items	77,389	83,034
Non-operating items	(2,445)	(512)
<b>Operating profit before changes in working capital</b>	<b>182,892</b>	<b>192,182</b>
<b>Changes in working capital</b>		
Net change in current assets	(1,895)	174
Net change in current liabilities	(83)	16,530
<b>Cash generated from operations</b>	<b>180,914</b>	<b>208,886</b>
Income taxes paid	(29,021)	(29,239)
Retirement benefits paid	(1,091)	(802)
<b>Net cash inflow from operating activities</b>	<b>150,802</b>	<b>178,845</b>
<b>Investing activities</b>		
Interest income received	7,352	4,279
Purchase of property, plant and equipment	(34,032)	(88,652)
Repayment of loan from an associate	-	12,683
Short-term bank deposits with original maturities over 3 months	44,840	1,600
<b>Net cash inflow/(outflow) from investing activities</b>	<b>18,160</b>	<b>(70,090)</b>
<b>Financing activities</b>		
Dividends paid to shareholders of the Company	(66,000)	(61,600)
Drawdown of borrowings	4,942	3,302
Repayment of borrowings	-	(12,303)
Interest expense paid	(4,907)	(3,767)
<b>Net cash outflow from financing activities</b>	<b>(65,965)</b>	<b>(74,368)</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>102,997</b>	<b>34,387</b>
Cash & cash equivalents at beginning of the year	130,715	96,328
<b>Cash &amp; cash equivalents at end of financial year</b>	<b>233,712</b>	<b>130,715</b>
Short-term bank deposits with original maturities over 3 months	-	44,840
<b>Short-term fund placements and cash and bank balances in the statement of financial position</b>	<b>233,712</b>	<b>175,555</b>

*(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017)*

**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 2018**

**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 2017. These condensed consolidated interim financial statements also comply with IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2017, except for the adoption of the following new standards, amendments to Malaysian Financial Reporting Standards (“MFRSs”) and interpretation that are relevant to its operations and effective for the financial period beginning 1 January 2018:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 15	Clarifications to Revenue from Contracts with Customers
Amendments to MFRS 128	Investments in Associates and Joint Ventures
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

The adoption of the above new standards, amendments to MFRSs and interpretation did not have any significant impact on the financial statements or position of the Group.

**A1.1 New Standards, Amendments and Interpretations Effective After 2018**

Certain new standards, amendments to MFRSs and interpretations, which are effective after 2018, have been issued by the Malaysian Accounting Standards Board (“MASB”) and are relevant to the Group’s operations. These will be adopted by the Group from their effective dates.

		Effective for annual periods beginning on or after
MFRS 16	Leases	1 January 2019
Amendments to MFRS 3	Business Combinations	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 112	Income Taxes	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 123	Borrowing Costs	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 2	Share-Based Payment	1 January 2020
Amendments to MFRS 3	Business Combinations	1 January 2020
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134	Interim Financial Reporting	1 January 2020
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2020

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**NOTES PURSUANT TO MFRS 134**

**A1.1 New Standards, Amendments and Interpretations Issued Effective After 2018 (cont'd)**

The implications of the new standards, amendments to MFRSs and interpretations are currently under review. Based on the assessments undertaken to date, the Group has identified that the adoption of MFRS 16 may have a potential impact on the Group's consolidated financial statements. Apart from MFRS 16, the adoption of the above amendments to MFRSs and interpretations are not expected to have a significant effect on the Group's financial statements.

In addition, MASB has also issued 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. Subsequently, in December 2015 MASB announced the deferment of the mandatory effective date of these amendments. The Group will apply these amendments when they become applicable.

**MFRS 16 – Leases (effective 1 January 2019)**

MFRS 16 eliminates the distinction between operating and finance leases, and introduces a single lessee accounting model. The new lease model requires a lessee to recognise in the statement of financial position a right-of-use asset (the right to use the underlying leased asset) and a lease liability (the obligation to pay rentals), unless the underlying asset has a low value or the lease term is 12 months or less.

The accounting for lessors will not change significantly. MFRS 16 will primarily affect the accounting for the Group's operating leases.

The Group's detailed assessment of the overall impact arising from the application of MFRS 16 is substantially complete, and will be disclosed in the Group's Announcement of its First Quarter Results ending 31 March 2019.

**A2 Revenue**

The disaggregation of the Group's revenue by major goods and service lines is set out below.

For the year ended 31 December 2018 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Total
<b><u>Major Goods/Service Lines</u></b>				
Revenue from rooms	302,414	-	-	302,414
Food and beverage sales	195,330	-	-	195,330
Rendering of ancillary services	20,533	-	-	20,533
Golf operations	3,497	-	-	3,497
Property rentals	-	25,089	-	25,089
Laundry services	-	-	3,985	3,985
<b>Total revenue</b>	<b>521,774</b>	<b>25,089</b>	<b>3,985</b>	<b>550,848</b>

For the year ended 31 December 2017 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Total
<b><u>Major Goods/Service Lines</u></b>				
Revenue from rooms	304,227	-	-	304,227
Food and beverage sales	192,172	-	-	192,172
Rendering of ancillary services	21,464	-	-	21,464
Golf operations	3,606	-	-	3,606
Property rentals	-	25,168	-	25,168
Laundry services	-	-	3,928	3,928
<b>Total revenue</b>	<b>521,469</b>	<b>25,168</b>	<b>3,928</b>	<b>550,565</b>



**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 2018**

**NOTES PURSUANT TO MFRS 134**

**A3 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 2018.

**A4 Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

**Exceptional Item**

The exceptional item of RM1.439 million in the Group Income Statement for the year ended 31 December 2018 relates to an impairment charge in respect of the Group's investment in an associated company in Myanmar, reflecting the combination of deteriorating market conditions and ongoing uncertainty in the local economy.

**A5 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 2018.

**A6 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 2018.

**A7 Dividends Paid**

A final single tier dividend of 12% or 12 sen per share for the financial year ended 31 December 2017 amounting to RM52.800 million was paid on 2 July 2018. An interim single tier dividend of 3% or 3 sen per share amounting to RM13.200 million for the year ended 31 December 2018 was paid on 23 November 2018.

**A8 Segmental Reporting**

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

<b>For the year ended 31 December 2018</b> <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
<b><u>Segment Revenue</u></b>					
Revenue from external customers	521,774	25,089	3,985	-	550,848
Inter-segment revenue	56,950	2,252	2,779	(61,981)	-
<b>Total revenue</b>	<b>578,724</b>	<b>27,341</b>	<b>6,764</b>	<b>(61,981)</b>	<b>550,848</b>
<b><u>Segment Results</u></b>					
Operating profit	128,731	16,257	(42,815)	15,003	117,176
Interest expense	(4,146)	-	(4,915)	4,154	(4,907)
Interest income	10,906	473	127	(4,154)	7,352
Share of results of associated companies	(5,214)	(6,459)	-	-	(11,673)
<b>Profit before tax</b>	<b>130,277</b>	<b>10,271</b>	<b>(47,603)</b>	<b>15,003</b>	<b>107,948</b>

<b>As at 31 December 2018</b> <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets	1,157,433	313,530	14,905	(186,686)	1,299,182
Interest in associates	5,908	204,131	-	-	210,039
<b>Total assets</b>	<b>1,163,341</b>	<b>517,661</b>	<b>14,905</b>	<b>(186,686)</b>	<b>1,509,221</b>

**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 2018**

**NOTES PURSUANT TO MFRS 134**

**A9 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 2018 and the date of this report that would materially affect the results of the Group for the financial year ended 31 December 2018.

**A10 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the financial year ended 31 December 2018.

**A11 Changes in Contingent Liabilities or Contingent Assets**

Similar to many Unionised hotels in Malaysia, the Group's hotels, namely Rasa Sayang Resort, Shangri-La Hotel Kuala Lumpur, Hotel Jen Penang and Golden Sands Resort Penang ("the Group hotels") are involved in litigation proceedings at various stages with the National Union of Hotel, Bar and Restaurant Workers Peninsular Malaysia ("Union") arising from the minimum wage order, which first came into effect for the hotel industry on 1 October 2013.

The subject matter of the litigation essentially concerns the Top-Up Structure implemented by the Group hotels, whereby part of the service charge is converted to form part of the minimum wage. This is being disputed by the Union and the matter is currently pending in the Court of Appeal.

The Group companies are subject to claims and litigation from time to time arising in the ordinary course of business, and provisions are made if, based on available information and professional advice, liabilities are considered likely to arise.

At this juncture, the Group has made no provision for the potential financial liability of the pending litigation of the minimum wage issue as it cannot predict with any certainty the final outcome of the on-going litigation. This is because the legislation on the minimum wage is as yet untested in the Federal Court and the hotel industry in general is awaiting a landmark decision of the apex court to give clarity on the law on whether service charge can be used to form part of the minimum wage. The Group may incur financial liabilities depending on the final outcome of the on-going minimum wage litigation.

**A12 Capital Commitments**

Capital commitments for property, plant and equipment and investment properties not provided for as at 31 December 2018 are as follows:-

	RM'000
Authorised and contracted for	6,742
Authorised but not contracted for	47,366
	54,108

**A13 Related Party Transactions**

12 months ended 31.12.2018  
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	19,332
--	--------

**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 2018**

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

**B1 Review of Group Results Full Year 2018 vs Full Year 2017**

Group revenue of RM550.848 million for the year ended 31 December 2018 was comparable to the revenue of RM550.565 million reported for 2017.

Net profit attributable to shareholders for the full year 2018 fell by 2% to RM70.554 million from RM72.198 million in 2017, mainly reflecting the impact of a higher net charge for non-operating items of RM17.822 million versus RM5.858 million the year before, as well as lower contributions from the Group's resorts in Penang and Sabah.

Non-operating items included within the net profit for 2018 comprised:-

- i) a net charge of RM11.884 million representing the Group's share of fair value losses of RM10.445 million from the revaluation of investment properties held through associates in Myanmar, together with an impairment loss of RM1.439 million in an associated company, which is shown on the face of the income statement as an exceptional item.
- ii) a net charge of RM5.938 million relating to an increase in the deferred tax liability for the Group's investment properties in Kuala Lumpur due to a change in the RPGT tax rate from 5% to 10% effective from 1 January 2019, offset in part by revaluation gains at year-end 2018.

These were partially mitigated by a net unrealised foreign exchange translation gain of RM1.898 million on the Group's US dollar loans to associates in Myanmar as against a net loss of RM9.641 million in 2017, coupled with a write-back of a RM7.453 million tax provision from prior years in a subsidiary hotel.

At the operating level, Rasa Sayang Resort posted a revenue decline of 5% during the year to RM86.481 million in response to a drop in occupancy from 77% in 2017 to 74%, owing to softer leisure demand. The resort's pre-tax profit reduced in tandem to RM17.000 million from RM24.153 million the previous year.

Likewise, Golden Sands Resort saw a 4% fall in revenue to RM59.438 million mainly on account of a weaker average room rate, with pre-tax profit declining by 12% over 2017 to RM14.226 million. Occupancy of the resort for 2018 remained stable at 78%.

Revenue from Rasa Ria Resort showed a slight reduction to RM142.326 million, while pre-tax profit fell to RM41.868 million, down 7% on the prior year. A shortfall in visitor arrivals led to a decreased occupancy of 71% from 74% in 2017.

At Shangri-La Hotel Kuala Lumpur, overall revenue was flat at RM186.217 million, with increased food and beverage revenue being offset by a decline in rooms revenue. The hotel made a pre-tax profit of RM40.422 million, a 3% decline from last year's profit. Occupancy of the hotel was 67%, compared to 69% in 2017.

On the back of good corporate business, occupancy at Hotel Jen Penang rose to 74% from 65% in 2017, which contributed to a 26% growth in revenue in the year to RM42.047 million. The hotel turned in a pre-tax profit of RM3.361 million as compared to a loss of RM4.048 million in 2017, which included asset write-offs relating to its rooms renovation programme that was completed in mid-2017.

For the twelve months, the investment properties of the Group recorded a total combined rental revenue of RM27.341 million, and a pre-tax profit of RM16.730 million, broadly in line with the revenue and profit levels achieved in 2017.

The Group's share of losses from its associates in Myanmar for the full year 2018 increased to RM11.673 million from RM5.233 million in 2017. This was largely attributed to the poor performance of Sule Shangri-La Yangon, combined with the impact of the net fair value losses from the year-end revaluation of the Shangri-La Serviced Apartments and Sule Square.

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 2018

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

**B2 Comparison of Group Results 4th Quarter 2018 vs 3rd Quarter 2018**

The Group's revenue for the fourth quarter ended 31 December 2018 was RM135.123 million, a drop of 9% compared to the third quarter ended 30 September 2018. Group pre-tax profit for the fourth quarter was RM7.210 million, down from RM40.264 million in the third quarter 2018.

The fourth quarter results were primarily affected by a reduced contribution from Rasa Ria Resort, and by the higher share of losses from associates which included fair value and impairment losses recognised at the end of 2018. This was further impacted by a significantly lower foreign currency translation gain on the Group's US dollar loans to its associated companies.

During the quarter, Rasa Ria Resort experienced weak leisure demand from its key markets, with occupancy down from 79% in the third quarter 2018 to 61%, leading to a 32% fall in revenue to RM29.833 million. Both Rasa Sayang Resort and Golden Sands Resort also recorded revenue shortfalls against the third quarter 2018 due to lower occupancy levels. At Rasa Sayang Resort, occupancy fell to 71% from 77%, while occupancy for Golden Sands Resort dipped to 78% from 81%. In addition, revenue from Hotel Jen Penang decreased by 5% when compared to the third quarter 2018 in line with a reduction in occupancy from 76% to 67%.

In contrast, Shangri-La Hotel Kuala Lumpur grew its revenue by 7% from the third quarter 2018, underpinned by stronger food and beverage business.

The combined rental revenue from the Group's investment properties in Kuala Lumpur for the fourth quarter 2018 was RM7.028 million, up 3% on the third quarter 2018.

**B3 Prospects for 2019**

Looking forward to 2019, the business environment for the Group's hotel operations as a whole is expected to remain soft, with slower growth in both leisure and corporate travel amidst continuing economic uncertainties.

The investment properties of the Group in Kuala Lumpur should see a fairly stable performance as trading conditions are expected to hold steady through 2019.

**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 2018**

**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	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Current taxation				
- Company and subsidiaries	6,046	10,062	30,085	31,185
Deferred taxation	5,304	(7,201)	5,869	(2,646)
(Over)/under provision in respect of prior years				
- Company and subsidiaries	(4,062)	(963)	(7,475)	(899)
	7,288	1,898	28,479	27,640

For the year ended 31 December 2018, the Group had a higher effective tax rate of 26%, as compared with the statutory tax rate of 24%. This was due principally to the increased provision for deferred tax in respect of the Group's investment properties in Kuala Lumpur resulting from the increase in the RPGT tax rate from 5% to 10% effective from 1 January 2019.

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

**B7 Group Borrowings and Debt Securities**  
The Group's total borrowings as at 31 December 2018 were RM157.523 million, compared with RM149.262 million at 31 December 2017.

<i>(All figures in RM'000)</i>	As at 31 December 2018	As at 31 December 2017
<b>Secured</b>		
Short Term	-	-
Long Term	-	-
	-	-
<b>Unsecured</b>		
Short Term	157,523 *	149,262 **
Long Term	-	-
<b>Total</b>	157,523	149,262

\* Amounts drawdown as at 31 December 2018 comprised HKD42.8 million and USD15.120 million from two offshore banks in Labuan, and USD17.5 million from a local bank.

\*\* Amounts drawdown as at 31 December 2017 comprised HKD42.8 million and USD13.900 million from two offshore banks in Labuan, and USD17.5 million from a local bank.

There were no debt securities in the financial year ended 31 December 2018.

**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 2018**

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

**B8 Financial Instruments**

**Derivatives**

There were no outstanding derivative financial instruments as at 31 December 2018.

**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 2018.

**B9 Changes in Material Litigation**

There was no material litigation pending as at the date of this report, except as disclosed in Note A11.

**B10 Dividend**

The Directors are recommending a final single tier dividend of 12 sen per share for the financial year ended 31 December 2018 (2017: final single tier dividend of 12 sen per share) for approval by shareholders at the forthcoming Annual General Meeting of the Company to be held on Wednesday, 29 May 2019.

The proposed final single tier dividend of 12 sen per share, together with the interim single tier dividend of 3 sen per share paid on 23 November 2018, will give a total dividend of 15 sen per share for the financial year ended 31 December 2018 (2017: a total dividend of 15 sen per share, comprising an interim single tier of 3 sen per share and a final single tier of 12 sen per share). The proposed final single tier dividend of 12 sen per share, if approved at the Annual General Meeting will be paid on Monday, 15 July 2019.

NOTICE IS HEREBY GIVEN that the proposed final single tier dividend of 12 sen per share for the financial year ended 31 December 2018 will be payable to shareholders whose names appear on the Record of Depositors on Monday, 17 June 2019.

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 Monday, 17 June 2019 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 year ended 31 December 2018 have been calculated as follows:-

	3 months ended		12 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Profit/(Loss) attributable to shareholders of the Company ( <i>RM'000</i> )	(856)	9,523	70,554	72,198
No. of ordinary shares in issue ( <i>'000</i> )	440,000	440,000	440,000	440,000
Basic Earnings Per Share ( <i>sen</i> )	(0.19)	2.16	16.04	16.41

**Diluted Earnings per Share**

Not applicable.

**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 2018**

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

**B12 Notes to the Statement of Comprehensive Income**

	3 months ended		12 months ended	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
<b>Net profit for the period/year is arrived at after charging:-</b>				
Interest expense	(1,415)	(982)	(4,907)	(3,767)
Depreciation	(15,899)	(16,009)	(63,546)	(62,893)
<u>Exceptional item</u>				
Impairment loss on the Group's investment in an associated company in Myanmar <i>(refer to Note A4)</i>	(1,439)	-	(1,439)	-
Foreign exchange loss	(377)	(10,327)	(3,667)	(25,888)
Allowance for doubtful debts - trade receivables	-	-	(147)	(9)
<b>and after crediting:-</b>				
Interest income	2,166	1,265	7,352	4,279
Foreign exchange gain	175	6,649	5,337	16,431
Write back of allowance for doubtful debts - trade receivables	48	67	9	202

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 for the financial year ended 31 December 2018.

**B13 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 2018.

**By Order of the Board**

**Datin Rozina Mohd Amin**  
**Company Secretary**

**Kuala Lumpur**  
**28 February 2019**

# Quarterly rpt on consolidated results for the financial period ended 31 Dec 2018

## SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Financial Year End 31 Dec 2018  
 Quarter 4 Qtr  
 Quarterly report for the financial period ended 31 Dec 2018  
 The figures have not been audited

### Attachments

4th Qtr 31 December 2018 Results.pdf  
 964.9 kB

Default Currency	Other Currency
------------------	----------------

Currency: Malaysian Ringgit (MYR)

### SUMMARY OF KEY FINANCIAL INFORMATION 31 Dec 2018

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	135,123	140,141	550,848	550,565
2 Profit/(loss) before tax	7,210	15,292	107,948	109,660
3 Profit/(loss) for the period	-78	13,394	79,469	82,020
4 Profit/(loss) attributable to ordinary equity holders of the parent	-856	9,523	70,554	72,198
5 Basic earnings/(loss) per share (Subunit)	-0.19	2.16	16.04	16.41
6 Proposed/Declared dividend per share (Subunit)	12.00	12.00	15.00	15.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable to ordinary equity	2.4207		2.4119	



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**

<b>Company Name</b>	SHANGRI-LA HOTELS (MALAYSIA) BERHAD
<b>Stock Name</b>	SHANG
<b>Date Announced</b>	28 Feb 2019
<b>Category</b>	Financial Results
<b>Reference Number</b>	FRA-28022019-00045

# Final Dividend

## SHANGRI-LA HOTELS (MALAYSIA) BERHAD

<b>EX-date</b>	13 Jun 2019
<b>Entitlement date</b>	17 Jun 2019
<b>Entitlement time</b>	05:00 PM
<b>Entitlement subject</b>	Final Dividend
<b>Entitlement description</b>	Final single tier dividend of 12 sen per ordinary share
<b>Period of interest payment</b>	to
<b>Financial Year End</b>	31 Dec 2018
<b>Share transfer book &amp; register of members will be</b>	to closed from (both dates inclusive) for the purpose of determining the entitlement
<b>Registrar or Service Provider name, address, telephone no</b>	PPB CORPORATE SERVICES SDN BHD 12th Floor, UBN Tower 10 Jalan P. Ramlee 50250 Kuala Lumpur Tel: 03-2726 0088 Fax: 03-2726 0099
<b>Payment date</b>	15 Jul 2019
<b>a. Securities transferred into the Depositor's Securities Account before 4:00 pm in respect of transfers</b>	17 Jun 2019
<b>b. Securities deposited into the Depositor's Securities Account before 12:30 pm in respect of securities exempted from mandatory deposit</b>	
<b>c. Securities bought on the Exchange on a cum entitlement basis according to the Rules of the Exchange.</b>	
<b>Number of new shares/securities issued (units) (if applicable)</b>	
<b>Entitlement indicator</b>	Currency
<b>Currency</b>	Malaysian Ringgit (MYR)
<b>Entitlement in Currency</b>	0.12
<b>Par Value (if applicable)</b>	

### Remarks :

The payment of the final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company which will be held on Wednesday, 29 May 2019.

---

### Announcement Info

<b>Company Name</b>	SHANGRI-LA HOTELS (MALAYSIA) BERHAD
<b>Stock Name</b>	SHANG
<b>Date Announced</b>	28 Feb 2019
<b>Category</b>	Entitlement(Notice of Book Closure)
<b>Reference Number</b>	ENT-21022019-00014