

SHANGRI-LA GROUP

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
(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. 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, 29 May 2019

As at the date hereof, the directors of Shangri-La Asia Limited 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
Mr LI Xiaodong Forrest*

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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	
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
	RM'000	RM'000	RM'000	RM'000
Revenue	137,358	151,484	137,358	151,484
Operating profit	29,325	38,634	29,325	38,634
Interest expense	(1,429)	(1,019)	(1,429)	(1,019)
Interest income	2,199	1,384	2,199	1,384
Share of results of associated companies	826	286	826	286
Profit before tax	30,921	39,285	30,921	39,285
Tax expense	(6,554)	(10,768)	(6,554)	(10,768)
Profit for the period	24,367	28,517	24,367	28,517
<u>Attributable to:</u>				
Shareholders of the Company	22,115	25,545	22,115	25,545
Non-controlling interests	2,252	2,972	2,252	2,972
	24,367	28,517	24,367	28,517
Basic Earnings per Ordinary Share (sen)	5.03	5.81	5.03	5.81
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 2018)

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 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		3 months ended	
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
	RM'000	RM'000	RM'000	RM'000
Profit for the period	24,367	28,517	24,367	28,517
<u>Other comprehensive income/(expense)</u>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations and foreign currency loans forming part of net investment in foreign operations	(542)	906	(542)	906
Total comprehensive income for the period	23,825	29,423	23,825	29,423
<u>Attributable to:</u>				
Shareholders of the Company	21,573	26,451	21,573	26,451
Non-controlling interests	2,252	2,972	2,252	2,972
	23,825	29,423	23,825	29,423

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2018)

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.3.2019 RM'000	As at 31.12.2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	677,890	704,991
Right-of-use assets	17,874	-
Investment properties	288,340	288,340
Interest in associates	202,828	210,039
Property development expenditure	12,286	12,286
Deferred tax assets	9,641	9,440
	<u>1,208,859</u>	<u>1,225,096</u>
Current assets		
Inventories	3,970	4,261
Trade and other receivables, prepayments and deposits	40,323	38,040
Tax recoverable	7,450	8,112
Short-term fund placements	226,323	205,245
Cash and bank balances	19,199	28,467
	<u>297,265</u>	<u>284,125</u>
Total assets	<u>1,506,124</u>	<u>1,509,221</u>
EQUITY		
Capital and reserves		
Share capital	544,501	544,501
Reserves	536,647	520,585
Total equity attributable to shareholders of the Company	<u>1,081,148</u>	<u>1,065,086</u>
Non-controlling interests	134,358	132,105
Total equity	<u>1,215,506</u>	<u>1,197,191</u>
LIABILITIES		
Non-current liabilities		
Retirement benefits	24,863	24,572
Lease liabilities	744	-
Deferred tax liabilities	22,192	22,007
	<u>47,799</u>	<u>46,579</u>
Current liabilities		
Trade and other payables and accruals	65,282	88,721
Contract liabilities	19,470	17,756
Lease liabilities	715	-
Short-term borrowings	156,915	157,523
Current tax liabilities	437	1,451
	<u>242,819</u>	<u>265,451</u>
Total liabilities	<u>290,618</u>	<u>312,030</u>
Total equity and liabilities	<u>1,506,124</u>	<u>1,509,221</u>
Net Assets per Ordinary Share (RM)	2.46	2.42
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 2018)

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 3 months ended 31 March 2019

<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	Exchange Translation Reserve	Retained earnings			
	← Non-distributable →		← Distributable →			
As previously reported at 1 January 2018	544,501	47	516,707	1,061,255	123,690	1,184,945
Reclassification from retained earnings to exchange translation reserve:-						
- Exchange differences on translation of foreign currency loans forming part of net investment in foreign operations	-	37,957	(37,957)	-	-	-
Balance at 1 January 2018 as restated	544,501	38,004	478,750	1,061,255	123,690	1,184,945
Net profit for the period	-	-	25,545	25,545	2,972	28,517
Foreign currency translation differences	-	906	-	906	-	906
Total comprehensive income for the period	-	906	25,545	26,451	2,972	29,423
Balance at 31 March 2018 as restated	544,501	38,910	504,295	1,087,706	126,662	1,214,368
As previously reported at 1 January 2019	544,501	(676)	521,261	1,065,086	132,105	1,197,191
Reclassification from retained earnings to exchange translation reserve:-						
- Exchange differences on translation of foreign currency loans forming part of net investment in foreign operations	-	37,957	(37,957)	-	-	-
Effects of adopting MFRS 16 - Leases (see Note A1.1)	-	-	(5,511)	(5,511)	1	(5,510)
Balance at 1 January 2019 as restated	544,501	37,281	477,793	1,059,575	132,106	1,191,681
Net profit for the period	-	-	22,115	22,115	2,252	24,367
Foreign currency translation differences	-	(542)	-	(542)	-	(542)
Total comprehensive income/(expense) for the period	-	(542)	22,115	21,573	2,252	23,825
Balance at 31 March 2019	544,501	36,739	499,908	1,081,148	134,358	1,215,506

(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 2018)

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the 3 months ended 31 March 2019

	31.3.2019	31.3.2018
	RM'000	RM'000
Profit before tax	30,921	39,285
Adjustments for non-cash flow:-		
Non-cash items	15,680	20,297
Non-operating items	(770)	(365)
Operating profit before changes in working capital	45,831	59,217
Changes in working capital		
Net change in current assets	(1,992)	3,322
Net change in current liabilities	(21,725)	(20,464)
Cash generated from operations	22,114	42,075
Lease interest paid	(21)	-
Income taxes paid	(6,917)	(5,646)
Retirement benefits paid	(340)	(59)
Net cash inflow from operating activities	14,836	36,370
Investing activities		
Interest income received	2,199	1,384
Purchase of property, plant and equipment	(4,960)	(7,463)
Short-term bank deposits with original maturities over 3 months	-	44,840
Net cash inflow/(outflow) from investing activities	(2,761)	38,761
Financing activities		
Drawdown of borrowings	1,389	1,057
Repayment of leases	(246)	-
Interest expense paid	(1,408)	(1,019)
Net cash inflow/(outflow) from financing activities	(265)	38
Net increase in cash & cash equivalents	11,810	75,169
Cash & cash equivalents at beginning of the year	233,712	130,715
Cash & cash equivalents at end of financial period	245,522	205,884

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2018)

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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 2018. 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 2018, except for the adoption of MFRS 16 Leases and amendments to Malaysian Financial Reporting Standards and interpretation that are relevant to its operations and effective for the financial period beginning 1 January 2019, which are set out below.

MFRS 16	Leases
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 112	Income Taxes
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123	Borrowing Costs
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments

The adoption of these amendments to MFRSs and the interpretation of IC 23 did not have a significant impact on the financial statements or position of the Group except for the adoption of MFRS 16 Leases.

A1.1 Adoption of MFRS 16 Leases

The Group adopted MFRS 16 Leases on 1 January 2019, which introduces a single lease accounting model for lessees. The adoption of MFRS 16 results in the majority of leases being recognised on the balance sheet as the distinction between operating and finance leases for lessee accounting is removed. Exceptions to this standard are leases with a term of less than 12 months or with low-value. The accounting for lessors was not changed significantly and the Group continues to classify leases as finance or operating leases.

Under the standard, a lessee recognises a right-of-use asset (“ROU”) representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. An ROU asset and a financial liability to pay rentals are recognised in the balance sheet, and the depreciation charge on the ROU assets and interest expenses on lease liabilities over the life of the lease are recognised in the income statement.

The Group has adopted MFRS 16 using the modified retrospective transition approach without restating comparative information.

The change in accounting for the Group’s operating leases resulted in the recognition of ROU assets of RM18.146 million and lease liabilities of RM1.705 million on 1 January 2019. The cumulative effect of adoption of MFRS 16 was recognised as an adjustment to the opening balance of the retained earnings at 1 January 2019, with no restatement of comparative information.

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

NOTES PURSUANT TO MFRS 134

A1.1 Adoption of MFRS 16 Leases (cont'd)

The effects of the adoption of MFRS 16 on the Group's consolidated statement of financial position are shown in the table below.

	As Previously Reported 31 December 2018 RM'000	Effects of Adopting MFRS 16		As Restated 1 January 2019 RM'000
		Reclassification RM'000	Remeasurement RM'000	
Assets				
Property, plant and equipment	704,991	(16,458)	-	688,533
Right-of-use assets	-	16,458	1,688	18,146
Interests in associates	210,039	-	(5,498)	204,541
Deferred tax assets	9,440	-	(1)	9,439
Other non-current and current assets	584,751	-	-	584,751
Total assets	1,509,221	-	(3,811)	1,505,410
Total equity attributable to shareholders of the Company				
Share capital	544,501	-	-	544,501
Reserves	520,585	-	(5,511)	515,074
	1,065,086	-	(5,511)	1,059,575
Non-controlling interests	132,105	-	1	132,106
Total Equity	1,197,191	-	(5,510)	1,191,681
Liabilities				
Long-term lease liabilities	-	-	943	943
Short-term lease liabilities	-	-	762	762
Deferred tax liabilities	22,007	-	(6)	22,001
Other non-current and current liabilities	290,023	-	-	290,023
Total liabilities	312,030	-	1,699	313,729
Total equity and liabilities	1,509,221	-	(3,811)	1,505,410
Net assets per share (RM)	2.42	-	(0.01)	2.41

A1.2 Amendments Issued but not yet Effective

A number of amendments to existing MFRSs which are effective for accounting periods beginning after 2019, have been issued and will be adopted by the Group from their effective dates.

		Effective for annual periods beginning on or after
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

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

NOTES PURSUANT TO MFRS 134

A1.2 Amendments Issued but not yet Effective (cont'd)

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.

A2 Revenue

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

For the period ended 31 March 2019 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Total
<u>Major Goods/Service Lines</u>				
Revenue from rooms	75,318	-	-	75,318
Food and beverage sales	48,472	-	-	48,472
Rendering of ancillary services	4,947	-	-	4,947
Golf operations	1,173	-	-	1,173
Property rentals	-	6,544	-	6,544
Laundry services	-	-	904	904
Total revenue	129,910	6,544	904	137,358

For the period ended 31 March 2018 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Total
<u>Major Goods/Service Lines</u>				
Revenue from rooms	84,084	-	-	84,084
Food and beverage sales	53,793	-	-	53,793
Rendering of ancillary services	5,389	-	-	5,389
Golf operations	1,091	-	-	1,091
Property rentals	-	6,194	-	6,194
Laundry services	-	-	933	933
Total revenue	144,357	6,194	933	151,484

A3 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 2019.

A4 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 2019.

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

NOTES PURSUANT TO MFRS 134

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 first quarter ended 31 March 2019.

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 period ended 31 March 2019.

A7 Dividends Paid

There was no dividend paid during the financial period ended 31 March 2019.

A8 Segmental Reporting

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

For the period ended 31 March 2019 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment Revenue					
Revenue from external customers	129,910	6,544	904	-	137,358
Inter-segment revenue	-	555	670	(1,225)	-
Total revenue	129,910	7,099	1,574	(1,225)	137,358
Segment Results					
Operating profit	24,609	4,303	466	(53)	29,325
Interest expense	(1,218)	(55)	(1,415)	1,259	(1,429)
Interest income	2,909	131	36	(877)	2,199
Share of results of associated companies	(583)	1,409	-	-	826
Profit before tax	25,717	5,788	(913)	329	30,921

As at 31 March 2019 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets	1,084,901	354,396	15,024	(151,025)	1,303,296
Interest in associates	3,562	199,266	-	-	202,828
Total assets	1,088,463	553,662	15,024	(151,025)	1,506,124

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 March 2019 and the date of this report that would materially affect the results of the Group for the financial period ended 31 March 2019.

A10 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2019.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

NOTES PURSUANT TO MFRS 134

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 March 2019 are as follows:-

	RM'000
Authorised and contracted for	8,960
Authorised but not contracted for	41,821
	50,781

A13 Related Party Transactions

3 months ended 31.3.2019

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	4,966
--	-------

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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

B1 Review of Group Results 1st Quarter 2019 vs 1st Quarter 2018

For the first three months to 31 March 2019, Group revenue fell by 9% to RM137.358 million, compared with RM151.484 million in the same quarter of 2018. Group net profit attributable to shareholders for the period was RM22.115 million, 13% below the profit of RM25.545 million reported in 2018.

The first quarter financial results reflected the lower operating performances by the Group's hotel businesses due to decreases in both occupancies and average daily rates.

Owing to a drop in rooms and food and beverage business, Shangri-La Hotel Kuala Lumpur saw revenue fall by 10% to RM44.882 million, with pre-tax profit declining by 30% from the first quarter 2018 to RM9.105 million. The hotel's occupancy was 67%, versus 75% the previous year.

At Rasa Ria Resort, slower visitor arrivals led to a reduced occupancy of 72% from 81% in the first quarter 2018. This resulted in a revenue decline of 12% in the period to RM35.941 million, and pre-tax profit decreased by 25% over the first quarter 2018 to RM11.088 million.

During the first quarter 2019, revenue from Rasa Sayang Resort fell by 10% to RM23.778 million, while its pre-tax profit of RM5.901 million was down by 32% on the prior year period. In response to softer leisure demand, occupancy of the resort slipped to 80% from 86% in 2018.

Similarly, Golden Sands Resort recorded a lower occupancy of 72% as against 84% for the first quarter 2018, leading to a 13% drop in revenue to RM13.757 million. For the first three months of 2019, the resort's pre-tax profit reduced to RM2.696 million from RM4.916 million in the same period last year.

For Hotel Jen Penang, overall revenue for the first quarter 2019 remained broadly flat at RM9.932 million, with an increase in food and beverage revenue offset by lower rooms revenue. The hotel's pre-tax profit for the period declined from RM0.548 million in the first quarter 2018 to RM0.224 million. Occupancy for the hotel was 73%, compared to 75% in 2018.

The Group's investment properties in Kuala Lumpur delivered a higher combined rental revenue of RM7.099 million, and their pre-tax profit was up 4% on the first quarter 2018 to RM4.379 million.

In the first quarter ended 31 March 2019, the Group's share of profits from associates in Myanmar increased to RM0.826 million from RM0.286 million for the comparable quarter in 2018. The improvement was largely driven by better operating results from Sule Square, the commercial complex in Yangon held by Traders Square Company Ltd, the Group's 23.6% associated company.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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

B2 Comparison of Group Results 1st Quarter 2019 vs 4th Quarter 2018

Group revenue for the first quarter ended 31 March 2019 was RM137.358 million, an increase of 2% from RM135.123 million in the fourth quarter ended 31 December 2018. The Group registered a net profit of RM22.115 million for the first quarter 2019, compared to a net loss of RM0.856 million in the fourth quarter 2018.

The first quarter financial performance was underpinned by improved contributions from Rasa Ria Resort and Rasa Sayang Resort. Coupled with this, the overall results were further boosted by the Group's share of associated companies' profits of RM0.826 million, versus its share of losses of RM10.800 million in the fourth quarter 2018, which had included fair value and impairment losses recognised at year-end 2018.

Supported by increased visitor arrivals, Rasa Ria Resort grew its occupancy to 72% from 61% in the fourth quarter 2018, with overall revenue up by 20% to RM35.941 million. On the back of higher leisure demand, occupancy at Rasa Sayang Resort improved to 80% from 71%, which contributed to a growth of 10% in revenue over the fourth quarter 2018 to RM23.778 million.

On the other hand, Shangri-La Hotel KL posted a revenue decline of 9% against the fourth quarter 2018, mainly because of weaker food and beverage business. Likewise, the revenue performance of Hotel Jen Penang during the quarter was also affected by a drop in food and beverage sales. Revenue from Golden Sands Resort was down by 9% when compared to the fourth quarter 2018, in line with a reduction in occupancy from 78% to 72%.

The combined rental revenue from the Group's investment properties in Kuala Lumpur for the first three months of 2019 showed a small increase of 1% to RM7.099 million from RM7.028 million in the fourth quarter 2018.

B3 Prospects for 2019

Looking ahead, the Group's hotel operations as a whole are likely to see continued soft demand trends in both the corporate and leisure travel markets. Nevertheless, the Group's hotels and resorts are in a good position to benefit from any improvements in the market.

As for the investment properties of the Group in Kuala Lumpur, the performance of UBN Tower is expected to stay generally stable over the course of 2019, while the outlook for UBN Apartments remains weak in a challenging trading environment.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Current taxation				
- Company and subsidiaries	6,565	10,401	6,565	10,401
Deferred taxation	(54)	367	(54)	367
(Over)/under provision in respect of prior years				
- Company and subsidiaries	43	-	43	-
	6,554	10,768	6,554	10,768

The effective tax rate of the Group for the first three months ended 31 March 2019 was 21%. This rate was lower than the statutory tax rate of 24%, largely as a result of the availability of Investment Tax Allowance incentives for two subsidiary hotels within the Group for their renovation projects.

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 March 2019 were RM156.915 million, compared with RM143.407 million at 31 March 2018.

<i>(All figures in RM'000)</i>	As at 31 March 2019	As at 31 March 2018
<u>Secured</u>		
Short Term	-	-
Long Term	-	-
	-	-
<u>Unsecured</u>		
Short Term	156,915 *	143,407 **
Long Term	-	-
Total	156,915	143,407

* Amounts drawdown as at 31 March 2019 comprised HKD42.8 million and USD15.460 million from two offshore banks in Labuan, and USD17.5 million from a local bank.

** Amounts drawdown as at 31 March 2018 comprised HKD42.8 million and USD14.170 million from two offshore banks in Labuan, and USD17.5 million from a local bank.

There were no debt securities in the financial period ended 31 March 2019.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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 March 2019.

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 2019.

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

No interim dividend has been declared for the financial period ended 31 March 2019.

B11 Earnings per Share

The basic earnings per ordinary share for the three (3) months ended 31 March 2019 have been calculated as follows:-

	3 months ended		3 months ended	
	31.3.2019	31.3.2018	31.3.2019	31.3.2018
Profit attributable to shareholders of the Company (<i>RM'000</i>)	22,115	25,545	22,115	25,545
No. of ordinary shares in issue (<i>'000</i>)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (<i>sen</i>)	5.03	5.81	5.03	5.81

Diluted Earnings per Share

Not applicable.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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		3 months ended	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Net profit for the period is arrived at after charging:-				
Interest expense	(1,429)	(1,019)	(1,429)	(1,019)
Depreciation	(15,855)	(15,837)	(15,855)	(15,837)
Foreign exchange loss	-	(10,875)	-	(10,875)
Allowance for doubtful debts - trade receivables	(4)	-	(4)	-
and after crediting:-				
Interest income	2,199	1,384	2,199	1,384
Foreign exchange gain	-	6,912	-	6,912
Write back of allowance for doubtful debts - trade receivables	-	14	-	14

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 period ended 31 March 2019.

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
29 May 2019

Quarterly rpt on consolidated results for the financial period ended 31 Mar 2019

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Financial Year End 31 Dec 2019
 Quarter 1 Qtr
 Quarterly report for the financial period ended 31 Mar 2019
 The figures have not been audited

Attachments

[1st Qtr 31 March 2019 Results.pdf](#)
 889.1 kB

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

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION 31 Mar 2019

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		31 Mar 2019	31 Mar 2018	31 Mar 2019	31 Mar 2018
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	137,358	151,484	137,358	151,484
2	Profit/(loss) before tax	30,921	39,285	30,921	39,285
3	Profit/(loss) for the period	24,367	28,517	24,367	28,517
4	Profit/(loss) attributable to ordinary equity holders of the parent	22,115	25,545	22,115	25,545
5	Basic earnings/(loss) per share (Subunit)	5.03	5.81	5.03	5.81
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 holders of the parent (\$\$)		2.4572		2.4207

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	29 May 2019
Category	Financial Results
Reference Number	FRA-29052019-00061