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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](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 (the “**Company**”). SHMB released to Bursa Malaysia an announcement (the “**Announcement**”) today. The following is a reproduction of the Announcement as required by the Note to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

Executive directors

Mr KUOK Khoon Chen (Chairman)

Mr LUI Man Shing

Mr Madhu Rama Chandra RAO

Mr Gregory Allan DOGAN

Independent non-executive directors

Mr Alexander Reid HAMILTON

Mr Timothy David DATTELS

Mr WONG Kai Man

Professor LI Kwok Cheung Arthur

Non-executive directors

Mr HO Kian Guan

Ms KUOK Hui Kwong

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

Hong Kong, 12 November 2014

**Quarterly rpt on consolidated results for the financial period ended 30/9/2014**

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Financial Year End 31/12/2014  
 Quarter 3  
 Quarterly report for the financial period ended 30/09/2014  
 The figures have not been audited  
 Attachments

[3rd Qtr 30 September 2014 Results.pdf](#)  
 523 KB

- Default Currency
- Other Currency

Currency: Malaysian Ringgit (MYR)

**SUMMARY OF KEY FINANCIAL INFORMATION**

30/09/2014

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2014 \$\$'000	30/09/2013 \$\$'000	30/09/2014 \$\$'000	30/09/2013 \$\$'000
1Revenue	130,962	133,423	388,629	379,482
2Profit/(loss) before tax	36,153	33,862	101,821	93,492
3Profit/(loss) for the period	26,967	25,089	76,606	68,811
4Profit/(loss) attributable to ordinary equity holders of the parent	23,938	22,196	69,388	62,604
5Basic earnings/(loss) per share (Subunit)	5.44	5.04	15.77	14.23
6Proposed/Declared dividend per share (Subunit)	0.00	0.00	3.00	3.00
7Net assets per share attributable to ordinary equity holders of the parent (\$\$)	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
		2.1478		2.1701

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 12 Nov 2014  
 Category Financial Results  
 Reference No SH-141112-49214

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

	3 months ended		9 months ended	
	30.9.2014 RM'000	30.9.2013 RM'000	30.9.2014 RM'000	30.9.2013 RM'000
Revenue	130,962	133,423	388,629	379,482
Operating profit before exceptional item	35,309	33,361	99,088	91,951
Exceptional item	-	-	-	-
Operating profit	35,309	33,361	99,088	91,951
Interest expense	(554)	(364)	(1,545)	(982)
Interest income	476	333	1,961	728
Share of results of associated companies	922	532	2,317	1,795
<b>Profit before tax</b>	<b>36,153</b>	<b>33,862</b>	<b>101,821</b>	<b>93,492</b>
Tax expense	(9,186)	(8,773)	(25,215)	(24,681)
<b>Profit for the period</b>	<b>26,967</b>	<b>25,089</b>	<b>76,606</b>	<b>68,811</b>
<u>Attributable to:</u>				
Shareholders of the Company	23,938	22,196	69,388	62,604
Non-controlling interests	3,029	2,893	7,218	6,207
	<b>26,967</b>	<b>25,089</b>	<b>76,606</b>	<b>68,811</b>
Basic Earnings per Ordinary Share (sen)	5.44	5.04	15.77	14.23
Diluted Earnings per Ordinary Share (sen)	NA	NA	NA	NA

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

NA - not applicable

**SHANGRI-LA HOTELS (MALAYSIA) BERHAD**  
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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 months ended		9 months ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period	26,967	25,089	76,606	68,811
Other comprehensive income/(expense) for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>26,967</b>	<b>25,089</b>	<b>76,606</b>	<b>68,811</b>
<u>Attributable to:</u>				
Shareholders of the Company	23,938	22,196	69,388	62,604
Non-controlling interests	3,029	2,893	7,218	6,207
	<b>26,967</b>	<b>25,089</b>	<b>76,606</b>	<b>68,811</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 2013)*

**SHANGRI-LA HOTELS (MALAYSIA) BERHAD**  
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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30.9.2014 RM'000	As at 31.12.2013 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	735,451	707,788
Investment properties	283,298	280,860
Interest in associates	182,099	152,154
Property development expenditure	12,286	12,286
Deferred tax assets	-	-
	<u>1,213,134</u>	<u>1,153,088</u>
<b>Current assets</b>		
Inventories	7,826	8,440
Trade and other receivables, prepayments and deposits	27,626	27,533
Tax recoverable	2,778	434
Cash and cash equivalents	70,128	93,719
	<u>108,358</u>	<u>130,126</u>
<b>Total assets</b>	<u>1,321,492</u>	<u>1,283,214</u>
<b>EQUITY</b>		
<b>Capital and reserves</b>		
Share capital	440,000	440,000
Reserves	505,027	514,839
<b>Total equity attributable to shareholders of the Company</b>	<u>945,027</u>	<u>954,839</u>
Non-controlling interests	101,930	94,712
<b>Total equity</b>	<u>1,046,957</u>	<u>1,049,551</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Retirement benefits	19,172	17,864
Deferred tax liabilities	24,470	16,423
	<u>43,642</u>	<u>34,287</u>
<b>Current liabilities</b>		
Trade and other payables and accruals	77,080	86,077
Short-term borrowings	140,436	111,482
Current tax liabilities	177	1,817
Dividend payable	13,200	-
	<u>230,893</u>	<u>199,376</u>
<b>Total liabilities</b>	<u>274,535</u>	<u>233,663</u>
<b>Total equity and liabilities</b>	<u>1,321,492</u>	<u>1,283,214</u>
Net Assets per Ordinary Share (RM) Attributable to Shareholders of the Company	2.15	2.17

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

**SHANGRI-LA HOTELS (MALAYSIA) BERHAD**  
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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the 9 months ended 30 September 2014

<i>All figures in RM'000</i>	Attributable to Shareholders of the Company			Total equity attributable to shareholders of the Company	Non-controlling interests	Total equity
	Share capital	Share premium	Retained earnings			
	← Non-distributable →		← Distributable →			
<b>Balance at 1 January 2013</b>	440,000	104,501	324,431	868,932	86,314	955,246
Net profit for the period	-	-	62,604	62,604	6,207	68,811
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	62,604	62,604	6,207	68,811
<b>Dividends paid</b>						
- Final dividend for the financial year ended 31.12.2012 paid on 28.6.2013	-	-	(30,800)	(30,800)	-	(30,800)
- Interim dividend for the financial year ended 31.12.2013 paid on 21.11.2013	-	-	(13,200)	(13,200)	-	(13,200)
<b>Balance at 30 September 2013</b>	440,000	104,501	343,035	887,536	92,521	980,057
<b>Balance at 1 January 2014</b>	440,000	104,501	410,338	954,839	94,712	1,049,551
Net profit for the period	-	-	69,388	69,388	7,218	76,606
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	69,388	69,388	7,218	76,606
<b>Dividends</b>						
- Final and special dividends for the financial year ended 31.12.2013 paid on 30.6.2014	-	-	(66,000)	(66,000)	-	(66,000)
- Interim dividend for the financial year ending 31.12.2014 payable on 14.11.2014	-	-	(13,200)	(13,200)	-	(13,200)
<b>Balance at 30 September 2014</b>	440,000	104,501	400,526	945,027	101,930	1,046,957

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

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

For the 9 months ended 30 September 2014

	30.9.2014 RM'000	30.9.2013 RM'000
<b>Profit before tax</b>	101,821	93,492
<b>Adjustments for non-cash flow:-</b>		
Non-cash items	41,544	45,966
Non-operating items	(416)	254
<b>Operating profit before changes in working capital</b>	142,949	139,712
<b>Changes in working capital</b>		
Net change in current assets	521	(1,000)
Net change in current liabilities	(7,997)	(14,832)
<b>Cash generated from operations</b>	135,473	123,880
Income taxes paid	(21,152)	(18,432)
Retirement benefits paid	(247)	(641)
<b>Net cash inflow from operating activities</b>	114,074	104,807
<b>Investing activities</b>		
Interest income received	1,961	728
Purchase of property, plant and equipment	(70,118)	(24,264)
Additions to investment properties	(2,438)	(2,418)
<b>Net cash outflow from investing activities</b>	(70,595)	(25,954)
<b>Financing activities</b>		
Dividends paid to shareholders of the Company	(66,000)	(30,800)
Dividend paid to non-controlling interests of a subsidiary	(1,000)	(1,000)
Drawdown of loans	28,118	30,414
Interest expense paid	(1,545)	(982)
Advances to associates	(26,643)	(36,947)
<b>Net cash outflow from financing activities</b>	(67,070)	(39,315)
<b>Net (decrease)/increase in cash &amp; cash equivalents</b>	(23,591)	39,538
Cash & cash equivalents at beginning of the year	93,719	27,605
<b>Cash &amp; cash equivalents at end of financial period</b>	70,128	67,143
Cash and cash equivalents at end of financial period	70,128	67,143
Bank overdraft at end of financial period	-	-
<b>Cash &amp; cash equivalents in the statement of financial position</b>	70,128	67,143

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

**SHANGRI-LA HOTELS (MALAYSIA) BERHAD**  
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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014**

**NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”)**

**A1 Accounting Policies**

The condensed consolidated interim financial statements of the Group for the current reporting period have been prepared in accordance with MFRS 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2013. These condensed consolidated interim financial statements also comply with IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

Except as described below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements of the Group for the year ended 31 December 2013.

The Group has adopted the amendments to Malaysian Financial Reporting Standards (“MFRS”) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2014.

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

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

**A1.1 MFRS and Amendments Issued But Not Yet Effective**

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

		Effective for annual periods beginning on or after
Amendments to MFRS 3	Business Combinations	1 July 2014
Amendments to MFRS 8	Operating Segments	1 July 2014
Amendments to MFRS 13	Fair Value Measurement	1 July 2014
Amendments to MFRS 116	Property, Plant and Equipment	1 July 2014 / 1 January 2016
Amendments to MFRS 119	Employee Benefits	1 July 2014
Amendments to MFRS 124	Related Party Disclosures	1 July 2014
Amendments to MFRS 140	Investment Property	1 July 2014
MFRS 15	Revenue from Contracts with Customers	1 January 2017
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010 and Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139)	Not yet announced
Amendments to MFRS 7 and MFRS 9	Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures	Not yet announced

The adoption of these new MFRS and amendments to MFRS are not expected to have any significant impact on the financial statements of the Group.



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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014**

**NOTES PURSUANT TO MFRS 134**

**A2 Seasonal or Cyclical Factors**

The business operations of the Group have not been materially affected by seasonal or cyclical factors during the financial period ended 30 September 2014.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the financial period ended 30 September 2014.

**A4 Material Changes in Estimates**

There were no changes in estimates of amounts reported in prior interim periods or changes in estimates of amounts reported in prior financial years, which have a material effect on the financial statements for the third quarter ended 30 September 2014.

**A5 Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period ended 30 September 2014.

**A6 Dividends Paid**

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

**A7 Segmental Reporting**

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

For the period ended 30 September 2014 <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	368,940	17,863	1,826	-	388,629
Inter-segment revenue	-	1,455	2,375	(3,830)	-
<b>Total revenue</b>	<b>368,940</b>	<b>19,318</b>	<b>4,201</b>	<b>(3,830)</b>	<b>388,629</b>
<b><u>Segment Results</u></b>					
Operating profit	89,941	11,181	248	(2,282)	99,088
Interest expense	(2,177)	-	(1,467)	2,099	(1,545)
Interest income	3,784	272	4	(2,099)	1,961
Share of results of associated companies	2,317	-	-	-	2,317
<b>Profit before tax</b>	<b>93,865</b>	<b>11,453</b>	<b>(1,215)</b>	<b>(2,282)</b>	<b>101,821</b>

As at 30 September 2014 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets	1,037,653	307,187	12,726	(218,173)	1,139,393
Interest in associates	182,099	-	-	-	182,099
<b>Total assets</b>	<b>1,219,752</b>	<b>307,187</b>	<b>12,726</b>	<b>(218,173)</b>	<b>1,321,492</b>

**SHANGRI-LA HOTELS (MALAYSIA) BERHAD**  
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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014**

**NOTES PURSUANT TO MFRS 134**

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

In the opinion of the Directors, there was no item or event of a material or unusual nature which has occurred between 30 September 2014 and the date of this report that would materially affect the results of the Group for the financial period ended 30 September 2014.

**A9 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the financial period ended 30 September 2014.

**A10 Changes in Contingent Liabilities or Contingent Assets**

There have been no changes in the contingent liabilities or assets of the Group since the last annual balance sheet date as at 31 December 2013 to the date of this report.

**A11 Capital Commitments**

Capital commitments for property, plant and equipment and investment properties not provided for as at 30 September 2014 are as follows:-

	RM'000
Authorised and contracted for	76,761
Authorised but not contracted for	17,750
	94,511

**A12 Related Party Transactions**

9 months ended 30.9.2014

RM'000

**Transactions with subsidiaries of the ultimate holding company**

Payment of management, marketing and reservation fees to Shangri-La International Hotel Management Ltd and Shangri-La International Hotel Management Pte Ltd, wholly-owned subsidiaries of Shangri-La Asia Limited	11,993
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**Transactions with corporations in which Mdm Kuok Oon Kwong, a Director of the Company, has direct or indirect financial interests**

- Office rental income received from Kuok Brothers Sdn Bhd, PPB Group Berhad, PPB Oil Palms Berhad, PGEO Marketing Sdn Bhd and Chemquest Sdn Bhd	1,775
- Payment of project management fees to PPB Hartabina Sdn Bhd	190

**Transactions with associates of the Group**

Additional loans granted by Madarac Corporation, the Group's wholly-owned subsidiary incorporated in the British Virgin Islands to an associated company in Myanmar	26,643
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**SHANGRI-LA HOTELS (MALAYSIA) BERHAD**  
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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 Nine Months 2014 vs Nine Months 2013**

In the nine months ended 30 September 2014, Group revenue grew by 2% to RM388.629 million from RM379.482 million for the same period in 2013.

The Group's pre-tax profit for the nine months was RM101.821 million, 9% higher than that of RM93.492 million the previous year. Consequently, Group net profit attributable to shareholders for the period increased by 11% to RM69.388 million from RM62.604 million in 2013.

The financial results for the nine months benefited largely from a strong operating performance by Rasa Ria Resort. This, together with enhanced contributions from the Group's other hotels more than offset the sharply lower performance of Rasa Sayang Resort due to the renovation of its Garden Wing guestrooms which began in April 2014.

During the period, Rasa Ria Resort generated an increase in revenue of 9% to RM93.370 million, supported by good growth in the average room rate and higher food and beverage business. The resort's pre-tax profit in the first nine months of 2014 rose by 14% to RM27.654 million from RM24.356 million the previous year. Occupancy of the resort for the period remained flat at 76%.

Golden Sands Resort also grew well, achieving an improvement of 8% in revenue over the nine months of 2013 to RM44.878 million, and a pre-tax profit of RM13.496 million, 16% better than RM11.585 million in 2013. A healthy pick-up in leisure demand enabled the resort to grow its occupancy from 72% to 78%.

Revenue from Shangri-La Hotel Kuala Lumpur of RM143.449 million was broadly in line with the first nine months of 2013, with an increase in food and beverage sales offset by a reduction in room revenue resulting from a lower occupancy of 77% versus 82% in 2013. However, the hotel saw a rise of 7% in pre-tax profit from RM34.645 million in the nine months of 2013 to RM37.182 million, on account of lower operating expenses and a reduced depreciation charge.

For Traders Hotel Penang, good business from the corporate sector delivered a growth of 7% in revenue to RM32.117 million, with pre-tax profit up by 21% to RM7.472 million against the first nine months last year. The hotel's occupancy improved to 84% from 79% in 2013. The hotel was rebranded to Hotel Jen Penang on 4 November 2014, as part of a major rebranding initiative by Shangri-La International Hotel Management to rebrand its Traders Hotels under the new Hotel Jen brand name.

Occupancy levels at Rasa Sayang Resort were negatively affected by the renovation work to all its 189 guestrooms in the Garden Wing. Given the significant number of rooms being out of saleable inventory, occupancy at the resort during the nine months of 2014 fell to 54% from 67%, leading to a 9% decline in revenue to RM51.366 million. The resort posted a lower pre-tax profit of RM9.059 million, down 37% from RM14.494 million in the nine-month period of 2013.

The Group's investment properties in Kuala Lumpur recorded a 3% growth in combined rental revenue over the first nine months of 2013 to RM19.318 million. Despite this, their combined pre-tax profit showed a small drop from RM11.571 million in the prior year period to RM11.453 million because of increased operating costs.

The Group's share of net profits from Traders Yangon Company Ltd (TYCL) and Shangri-La Yangon Company Ltd (SYCL), its associates in Myanmar rose to RM2.317 million in the nine months of 2014 from RM1.795 million for the corresponding period last year. The share of associate results in the nine months of 2013 related wholly to the contribution from TYCL as the Group's 22.2% share of results from SYCL was only equity accounted from November 2013, when the Shangri-La Residences commenced business operations. Traders Hotel Yangon, the Group's 23.5% associate hotel held by TYCL was rebranded to Sule Shangri-La Yangon on 28 April 2014.

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014

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

**B2 Comparison of Group Results 3rd Quarter 2014 vs 2nd Quarter 2014**

The Group's revenue for the third quarter ended 30 September 2014 rose by 9% to RM130.962 million, compared with RM120.662 million in the second quarter ended 30 June 2014. Group pre-tax profit for the third quarter 2014 was RM36.153 million, up 42% from RM25.405 million in the second quarter of 2014. These results were driven mainly by a significantly higher contribution from Rasa Ria Resort.

In the third quarter, Rasa Ria Resort grew revenue by 32% to RM35.259 million, resulting in an increase of 131% in pre-tax profit to RM13.047 million. Growth was bolstered by strong increases in occupancy and average room rates. The resort raised its occupancy to 78% from 64% in the second quarter 2014, with the average room rate rising by 17%.

At Golden Sands Resort, revenue increased by 10% over the second quarter 2014 to RM15.413 million, underpinned by a good uplift in the average room rate. The resort's occupancy for the third quarter 2014 was unchanged at 76%. In addition, Rasa Sayang Resort was also able to show some improvements in occupancy and revenue against the second quarter 2014, with a total of 91 renovated guestrooms in the Garden Wing returning to saleable inventory in stages during the third quarter of 2014.

Both Shangri-La Hotel Kuala Lumpur and Traders Hotel Penang however, registered lower revenues when compared to the second quarter 2014, mostly due to softer average room rates. Revenue from Shangri-La Hotel Kuala Lumpur in the third quarter 2014 dropped marginally to RM46.488 million, whereas revenue at Traders Hotel Penang decreased to RM10.741 million, a shortfall of 5% versus the second quarter 2014.

The combined rental revenue from the Group's investment properties in Kuala Lumpur for the three-month period to 30 September 2014 of RM6.390 million was slightly below that of RM6.483 million recorded in the second quarter 2014.

**B3 Prospects for 2014**

Whilst there is ongoing economic uncertainty, the overall activity levels in both the business and leisure travel markets continue to show momentum. The Group's hotels and resorts performance is expected to remain stable during the remainder of 2014.

Nevertheless, the business operations of Rasa Sayang Resort will continue to be weighed down by the renovation programme for all its Garden Wing guestrooms, which started in April 2014. Work on the renovation programme is progressing on schedule and is due to be completed end-2014.

Occupancy and rental rates at UBN Tower should stay relatively steady as the prime office rental market in Kuala Lumpur is likely to hold firm through 2014. The operating environment for UBN Apartments will remain challenging.

**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**

**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		9 months ended	
	30.9.2014 RM'000	30.9.2013 RM'000	30.9.2014 RM'000	30.9.2013 RM'000
Current taxation				
- Company and subsidiaries	5,645	5,625	18,107	17,251
Deferred taxation	3,862	3,645	8,047	7,927
(Over)/under provision in respect of prior years				
- Company and subsidiaries	(321)	(497)	(939)	(497)
	9,186	8,773	25,215	24,681

The effective tax rate of the Group for the nine months ended 30 September 2014 was 24.8%, broadly in line with the statutory tax rate of 25%.

**B6 Status of Corporate Proposals**

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

**B7 Group Borrowings and Debt Securities**

Group borrowings as at 30 September 2014 were as follows:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	-	-	-
Unsecured	140,436*	-	140,436
	140,436*	-	140,436

\* Amounts drawdown comprised HKD50.600 million and USD18.293 million from two offshore banks in Labuan, and USD18.0 million from a local bank.

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

**B8 Financial Instruments**

**Derivatives**

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

**Gains/losses arising from fair value changes of financial liabilities**

There were no gains/losses arising from fair value changes of financial liabilities for the financial period ended 30 September 2014.

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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**

An interim single tier dividend of 3 sen or 3% per ordinary share in respect of the financial year ending 31 December 2014 was declared on 21 August 2014 payable on Friday, 14 November 2014.

**B11 Earnings per Share**

The basic earnings per ordinary share for the nine (9) months ended 30 September 2014 have been calculated as follows:-

	3 months ended		9 months ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
Profit attributable to shareholders of the Company (RM'000)	23,938	22,196	69,388	62,604
No. of ordinary shares in issue ('000)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (sen)	5.44	5.04	15.77	14.23

**Diluted Earnings per Share**

Not applicable.

**B12 Realised and Unrealised Profits/Losses**

	As at 30.9.2014 RM'000	As at 31.12.2013 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	476,960	471,689
- Unrealised	91,032	98,930
	567,992	570,619
Total share of accumulated losses in associated companies		
- Realised	(48,473)	(50,790)
- Unrealised	7,292	7,292
	526,811	527,121
Add : Consolidation adjustments	(126,285)	(116,783)
Total Group retained profits	400,526	410,338

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

**B13 Notes to the Statements of Comprehensive Income**

	3 months ended		9 months ended	
	30.9.2014 RM'000	30.9.2013 RM'000	30.9.2014 RM'000	30.9.2013 RM'000
<b>Net profit for the period is arrived at after charging:-</b>				
Interest expense	(554)	(364)	(1,545)	(982)
Depreciation	(13,687)	(13,737)	(40,756)	(41,173)
Foreign exchange loss	(3,136)	(2,146)	(836)	(4,657)
Allowance for doubtful debts				
- loans to associates	-	(4,468)	-	(9,615)
- trade receivables	-	(27)	-	(39)
<b>and after crediting:-</b>				
Interest income	476	333	1,961	728
Foreign exchange gain	4,851	4,468	985	9,615
Write back of allowance for doubtful debts				
- trade receivables	36	-	135	-

Other than the above which have been included in the statement of comprehensive income, there were no impairment of assets, gain or loss on disposal of quoted or unquoted investments or properties and exceptional items for the financial period ended 30 September 2014.

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

There was no qualification in the audit report of the Group's financial statements for the year ended 31 December 2013.

**By Order of the Board**  
**Datin Rozina Mohd Amin**  
**Company Secretary**

**Kuala Lumpur**  
**12 November 2014**