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SHANGRI-LA ASIA LIMITED

香格里拉(亞洲)有限公司

(Incorporated in Bermuda with limited liability)

website: www.ir.shangri-la.com

(Stock code: 00069)

OVERSEAS REGULATORY ANNOUNCEMENT

Shangri-La Hotels (Malaysia) Berhad (“**SHMB**”) is a company listed on Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) and a 52.78% owned subsidiary of Shangri-La Asia Limited (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

Non-executive directors

Mr KUOK Khoon Ean

Mr HO Kian Guan

Mr Roberto V ONGPIN

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

Independent non-executive directors

Mr Alexander Reid HAMILTON

Mr Timothy David DATTELS

Mr WONG Kai Man

Mr Michael Wing-Nin CHIU

Professor LI Kwok Cheung Arthur

Hong Kong, 27 February 2014

Quarterly rpt on consolidated results for the financial period ended 31/12/2013

SHANGRI-LA HOTELS (MALAYSIA) BERHAD

Financial Year End 31/12/2013
 Quarter 4
 Quarterly report for the financial period 31/12/2013 ended
 The figures have been audited
 Attachments

[4th Qtr December 2013 Results.pdf](#)
 740 KB

- Default Currency
- Other Currency

Currency: Malaysian Ringgit (MYR)

SUMMARY OF KEY FINANCIAL INFORMATION

31/12/2013

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/2013 \$\$'000	31/12/2012 \$\$'000	31/12/2013 \$\$'000	31/12/2012 \$\$'000
1Revenue	131,743	122,783	511,225	469,572
2Profit/(loss) before tax	74,689	20,565	168,181	102,470
3Profit/(loss) for the period	70,997	11,184	139,808	72,097
4Profit/(loss) attributable to ordinary equity holders of the parent	67,763	10,504	130,367	67,389
5Basic earnings/(loss) per share (Subunit)	15.40	2.39	29.63	15.32
6Proposed/Declared dividend per share (Subunit)	15.00	7.00	18.00	10.00
7Net assets per share attributable to ordinary equity holders of the parent (\$\$)	AS AT END OF CURRENT QUARTER	2.1701	AS AT PRECEDING FINANCIAL YEAR END	1.9748

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 27 Feb 2014
 Category Financial Results
 Reference No SH-140226-62455

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

ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2013

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

AUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		12 months ended	
	31.12.2013 RM'000	31.12.2012 RM'000 (restated) ^(a)	31.12.2013 RM'000	31.12.2012 RM'000 (restated) ^(a)
Revenue	131,743	122,783	511,225	469,572
Operating profit before exceptional item	37,765	20,420	129,716	102,760
Exceptional item	29,744	-	29,744	-
Operating profit	67,509	20,420	159,460	102,760
Interest expense	(434)	(378)	(1,416)	(1,920)
Interest income	584	148	1,312	444
Share of results of associated companies	7,030	375	8,825	1,186
Profit before tax	74,689	20,565	168,181	102,470
Tax expense	(3,692)	(9,381)	(28,373)	(30,373)
Profit for the period/year	70,997	11,184	139,808	72,097
<u>Attributable to:</u>				
Shareholders of the Company	67,763	10,504	130,367	67,389
Non-controlling interests	3,234	680	9,441	4,708
	70,997	11,184	139,808	72,097
Basic Earnings per Ordinary Share (sen)	15.40	2.39	29.63	15.32
Diluted Earnings per Ordinary Share (sen)	NA	NA	NA	NA

^(a) Prior year comparatives have been restated due to retrospective application of the revised MFRS 119 - Employee Benefits which came into effect on 1 January 2013. Refer to Note A1.1 for further details.

(The audited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statement for the year ended 31 December 2012)

NA - not applicable

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ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2013

AUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		12 months ended	
	31.12.2013 RM'000	31.12.2012 RM'000 (restated) ^(a)	31.12.2013 RM'000	31.12.2012 RM'000 (restated) ^(a)
Profit for the period/year	70,997	11,184	139,808	72,097
<u>Other comprehensive income/(expense)</u>				
<i>Items that will not be reclassified to profit or loss:</i>				
Remeasurement of the defined retirement benefit liability, net of tax	(503)	611	(503)	611
Total comprehensive income for the period/year	70,494	11,795	139,305	72,708
<u>Attributable to:</u>				
Shareholders of the Company	67,303	11,326	129,907	68,211
Non-controlling interests	3,191	469	9,398	4,497
	70,494	11,795	139,305	72,708

^(a) Prior year comparatives have been restated due to retrospective application of the revised MFRS 119 - Employee Benefits which came into effect on 1 January 2013. Refer to Note A1.1 for further details.

(The audited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012)

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ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2013

AUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2013 RM'000	As at 31.12.2012 RM'000 (restated) ^(a)	As at 1.1.2012 RM'000 (restated) ^(a)
ASSETS			
Non-current assets			
Property, plant and equipment	707,788	730,885	731,059
Investment properties	280,860	269,280	266,899
Interest in associates	152,154	50,726	16,723
Property development expenditure	12,286	12,286	12,286
Deferred tax assets	-	2,127	5,580
	<u>1,153,088</u>	<u>1,065,304</u>	<u>1,032,547</u>
Current assets			
Inventories	8,440	8,911	8,809
Trade and other receivables, prepayments and deposits	27,533	29,138	23,938
Tax recoverable	434	1,061	1,765
Cash and cash equivalents	93,719	27,605	21,655
	<u>130,126</u>	<u>66,715</u>	<u>56,167</u>
Total assets	<u>1,283,214</u>	<u>1,132,019</u>	<u>1,088,714</u>
EQUITY			
Capital and reserves			
Share capital	440,000	440,000	440,000
Reserves	514,839	428,932	393,721
Total equity attributable to shareholders of the Company	<u>954,839</u>	<u>868,932</u>	<u>833,721</u>
Non-controlling interests	94,712	86,314	82,817
Total equity	<u>1,049,551</u>	<u>955,246</u>	<u>916,538</u>
LIABILITIES			
Non-current liabilities			
Long-term borrowings	-	-	5,306
Retirement benefits	17,864	15,058	14,663
Deferred tax liabilities	16,423	15,540	11,675
	<u>34,287</u>	<u>30,598</u>	<u>31,644</u>
Current liabilities			
Trade and other payables and accruals	86,077	83,042	75,887
Short-term borrowings	111,482	60,054	63,892
Current tax liabilities	1,817	3,079	753
	<u>199,376</u>	<u>146,175</u>	<u>140,532</u>
Total liabilities	<u>233,663</u>	<u>176,773</u>	<u>172,176</u>
Total equity and liabilities	<u>1,283,214</u>	<u>1,132,019</u>	<u>1,088,714</u>
Net Assets per Ordinary Share (RM) Attributable to Shareholders of the Company	2.17	1.97	1.89

^(a) Prior year comparatives have been restated due to retrospective application of the revised MFRS 119 - Employee Benefits which came into effect on 1 January 2013. Refer to Note A1.1 for further details.

(The audited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012)

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(Incorporated in Malaysia)

**ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2013**

AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2013

<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 →			
Balance at 1 January 2012, as previously reported	440,000	104,501	290,126	834,627	82,855	917,482
Effect of adopting MFRS 119 (Revised) - Employee Benefits	-	-	(906)	(906)	(38)	(944)
Balance at 1 January 2012, as restated	440,000	104,501	289,220	833,721	82,817	916,538
Net profit for the year	-	-	67,389	67,389	4,708	72,097
Remeasurement of the defined retirement benefit liability, net of tax	-	-	822	822	(211)	611
Total comprehensive income for the year	-	-	68,211	68,211	4,497	72,708
Dividends paid						
- Final dividend for the financial year ended 31.12.2011 paid on 28.6.2012	-	-	(19,800)	(19,800)	-	(19,800)
- Interim dividend for the financial year ended 31.12.2012 paid on 14.11.2012	-	-	(13,200)	(13,200)	-	(13,200)
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	(1,000)	(1,000)
Balance at 31 December 2012, as restated	440,000	104,501	324,431	868,932	86,314	955,246
Balance at 1 January 2013, as previously reported	440,000	104,501	324,455	868,956	86,563	955,519
Effect of adopting MFRS 119 (Revised) - Employee Benefits	-	-	(24)	(24)	(249)	(273)
Balance at 1 January 2013, as restated	440,000	104,501	324,431	868,932	86,314	955,246
Net profit for the year	-	-	130,367	130,367	9,441	139,808
Remeasurement of the defined retirement benefit liability, net of tax	-	-	(460)	(460)	(43)	(503)
Total comprehensive income for the year	-	-	129,907	129,907	9,398	139,305
Dividends						
- 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)
Dividend payable to non-controlling interests of a subsidiary	-	-	-	-	(1,000)	(1,000)
Balance at 31 December 2013	440,000	104,501	410,338	954,839	94,712	1,049,551

(The audited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012)

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ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
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AUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2013

	31.12.2013 RM'000	31.12.2012 RM'000 (restated) ^(a)
Profit before tax	168,181	102,470
Adjustments for non-cash flow:-		
Non-cash items	9,826	54,521
Non-operating items	104	1,476
Operating profit before changes in working capital	<u>178,111</u>	<u>158,467</u>
Changes in working capital		
Net change in current assets	2,160	(5,251)
Net change in current liabilities	3,035	6,995
Cash generated from operations	<u>183,306</u>	<u>160,211</u>
Income taxes paid	(25,807)	(20,229)
Retirement benefits paid	(619)	(1,288)
Net cash inflow from operating activities	<u>156,880</u>	<u>138,694</u>
Investing activities		
Interest income received	1,312	444
Purchase of property, plant and equipment	(32,903)	(54,150)
Additions to investment properties	(6,763)	(2,381)
Net cash outflow from investing activities	<u>(38,354)</u>	<u>(56,087)</u>
Financing activities		
Dividends paid to shareholders of the Company	(44,000)	(33,000)
Dividend paid to non-controlling interests of a subsidiary	(1,000)	(840)
Drawdown/(Repayment) of loans	46,067	(8,080)
Interest expense paid	(1,416)	(1,920)
Advances to associates	(52,063)	(32,817)
Net cash outflow from financing activities	<u>(52,412)</u>	<u>(76,657)</u>
Net increase in cash & cash equivalents	<u>66,114</u>	<u>5,950</u>
Cash & cash equivalents at beginning of the year	27,605	21,655
Cash & cash equivalents at end of financial year	<u>93,719</u>	<u>27,605</u>
Cash and cash equivalents at end of financial year	93,719	27,605
Bank overdraft at end of financial year	-	-
Cash & cash equivalents in the statement of financial position	<u>93,719</u>	<u>27,605</u>

^(a) Prior year comparatives have been restated due to retrospective application of the revised MFRS 119 - Employee Benefits which came into effect on 1 January 2013. Refer to Note A1.1 for further details.

(The audited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012)

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ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2013

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 2012. 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 2012.

The Group adopted the following new or revised Malaysian Financial Reporting Standards (“MFRS”) and amendments to MFRS that are relevant and effective for annual periods beginning on or after 1 July 2012 or 1 January 2013.

MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 132	Financial Instruments: Presentation
Amendments to MFRS 134	Interim Financial Reporting

The adoption of the above new or revised MFRS and amendments to MFRS did not result in any substantial changes to the Group’s accounting policies nor any impact on the financial statements of the Group, except for the following:-

A1.1 MFRS 119 (Revised) – Employee Benefits

With effect from 1 January 2013, the Group adopted the MFRS 119 (Revised) – Employee Benefits. The revised standard requires actuarial gains and losses to be recognised immediately in other comprehensive income and past service costs immediately in the income statement.

The Group has previously recognised actuarial gains and losses as income and expense in the income statement when the net cumulative unrecognised actuarial gains or losses exceed ten percent of the present value of the defined benefit obligation. Unvested past service costs were recognised as an expense in the income statement on a straight line basis over the average vesting period until the benefits become vested.

This change in accounting policy has been applied retrospectively in accordance with the requirements of the standard. Accordingly, the 2012 comparatives have been restated.

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FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2013

NOTES PURSUANT TO MFRS 134

A1.1 MFRS 119 (Revised) – Employee Benefits (cont'd)

The effects of adopting the MFRS 119 (Revised) are summarised below.

Consolidated Statement of Financial Position as at 1 January 2012

	As Previously Reported RM'000	Effect of Adopting MFRS 119 (Revised) RM'000	As Restated RM'000
Non-current assets			
Deferred tax assets	5,587	(7)	5,580
Total equity attributable to shareholders of the Company			
Share capital	440,000	-	440,000
Share premium	104,501	-	104,501
Retained earnings	290,126	(906)	289,220
	834,627	(906)	833,721
Non-controlling interests	82,855	(38)	82,817
Non-current liabilities			
Retirement benefits	13,404	1,259	14,663
Deferred tax liabilities	11,997	(322)	11,675

Consolidated Statement of Financial Position as at 31 December 2012

	As Previously Reported RM'000	Effect of Adopting MFRS 119 (Revised) RM'000	As Restated RM'000
Non-current assets			
Deferred tax assets	2,142	(15)	2,127
Total equity attributable to shareholders of the Company			
Share capital	440,000	-	440,000
Share premium	104,501	-	104,501
Retained earnings	324,455	(24)	324,431
	868,956	(24)	868,932
Non-controlling interests	86,563	(249)	86,314
Non-current liabilities			
Retirement benefits	14,694	364	15,058
Deferred tax liabilities	15,646	(106)	15,540

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ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2013

NOTES PURSUANT TO MFRS 134

A1.1 MFRS 119 (Revised) – Employee Benefits (cont'd)

Consolidated Income Statement for the Year Ended 31 December 2012

	As Previously Reported RM'000	Effect of Adopting MFRS 119 (Revised) RM'000	As Restated RM'000
Operating profit for the year	102,680	80	102,760
Profit before tax	102,390	80	102,470
Tax expense	(30,353)	(20)	(30,373)
Profit for the year	72,037	60	72,097
<u>Attributable to:</u>			
Shareholders of the Company	67,329	60	67,389
Non-controlling interests	4,708	-	4,708
	72,037	60	72,097
Basic Earnings Per Ordinary Share (sen)	15.30	0.02	15.32

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2012

	As Previously Reported RM'000	Effect of Adopting MFRS 119 (Revised) RM'000	As Restated RM'000
Profit for the year	72,037	60	72,097
<u>Other comprehensive income for the year</u>			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of the defined retirement benefit, net of tax	-	611	611
Total comprehensive income for the year	72,037	671	72,708
<u>Attributable to:</u>			
Shareholders of the Company	67,329	882	68,211
Non-controlling interests	4,708	(211)	4,497
	72,037	671	72,708

Consolidated Cash Flow Statement for the Year Ended 31 December 2012

	As Previously Reported RM'000	Effect of Adopting MFRS 119 (Revised) RM'000	As Restated RM'000
Profit before tax	102,390	80	102,470
Adjustments for non-cash flow:-			
Non-cash items	54,601	(80)	54,521

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ANNOUNCEMENT OF AUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2013

NOTES PURSUANT TO MFRS 134

A1.1 MFRS 119 (Revised) – Employee Benefits (cont'd)

Consolidated Income Statement for the 4th Quarter Ended 31 December 2012

	As Previously Reported RM'000	Effect of Adopting MFRS 119 (Revised) RM'000	As Restated RM'000
Operating profit for the period	20,340	80	20,420
Profit before tax	20,485	80	20,565
Tax expense	(9,361)	(20)	(9,381)
Profit for the period	11,124	60	11,184
<u>Attributable to:</u>			
Shareholders of the Company	10,444	60	10,504
Non-controlling interests	680	-	680
	11,124	60	11,184
Basic Earnings Per Ordinary Share (sen)	2.37	0.02	2.39

Consolidated Statement of Comprehensive Income for the 4th Quarter Ended 31 December 2012

	As Previously Reported RM'000	Effect of Adopting MFRS 119 (Revised) RM'000	As Restated RM'000
Profit for the period	11,124	60	11,184
Other comprehensive income for the period			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of the defined retirement benefit, net of tax	-	611	611
Total comprehensive income for the period	11,124	671	11,795
<u>Attributable to:</u>			
Shareholders of the Company	10,444	882	11,326
Non-controlling interests	680	(211)	469
	11,124	671	11,795

A1.2 MFRS and Amendments Issued But Not Yet Effective

The Group has not adopted the following new MFRS and amendments to MFRS that have been issued but 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 10 Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 12 Disclosure of Interests in Other Entities: Investment Entities	1 January 2014
Amendments to MFRS 13 Fair Value Measurement	1 July 2014
Amendments to MFRS 116 Property, Plant and Equipment	1 July 2014

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FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2013

NOTES PURSUANT TO MFRS 134

A1.2 MFRS and Amendments Issued But Not Yet Effective (cont'd)

	Effective for annual periods beginning on or after
Amendments to MFRS 119 Employee Benefits	1 July 2014
Amendments to MFRS 124 Related Party Disclosures	1 July 2014
Amendments to MFRS 127 Separate Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 140 Investment Property	1 July 2014
Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136 Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
 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 the above MFRS and amendments to MFRS are not expected to have a significant impact on the consolidated financial statements of the Group.

A2 Seasonal or Cyclical Factors

The business operations of the Group have not been materially affected by seasonal or cyclical factors during the financial year ended 31 December 2013.

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

Impairment Reversal

In the year ended 31 December 2013, the Group fully reversed the impairment provision of RM29,744 million previously made against the Group's investments in its associates in Myanmar, due to the improvement in the operating environment in Myanmar on the back of more stable economic and political conditions.

The reversal of the impairment provision was determined based on their fair values as at 31 December 2013, as determined by an independent professional valuer, with reference to their future discounted cash flow projections.

A4 Material Changes in Estimates

There were no changes in estimates of amounts reported in prior interim periods or changes in estimates of amounts reported in prior financial years, which have a material effect on the financial statements for the fourth quarter ended 31 December 2013.

A5 Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial year ended 31 December 2013.

A6 Dividends Paid

A final single tier dividend of 7% or 7 sen per share for the financial year ended 31 December 2012 amounting to RM30.800 million was paid on 28 June 2013. 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.

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A7 Segmental Reporting

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

For the year ended 31 December 2013 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment Revenue					
Revenue from external customers	485,487	23,150	2,588	-	511,225
Inter-segment revenue	34,900	1,959	3,598	(40,457)	-
Total revenue	520,387	25,109	6,186	(40,457)	511,225
Segment Results					
Operating profit	218,849	19,674	29,655	(108,718)	159,460
Interest expense	(2,025)	-	(1,166)	1,775	(1,416)
Interest income	2,680	377	30	(1,775)	1,312
Share of results of associated companies	8,825	-	-	-	8,825
Profit before tax	228,329	20,051	28,519	(108,718)	168,181

As at 31 December 2013 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets					
Segment assets	1,066,653	305,268	12,927	(253,788)	1,131,060
Interest in associates	152,154	-	-	-	152,154
Total assets	1,218,807	305,268	12,927	(253,788)	1,283,214

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

In the opinion of the Directors, there was no item or event of a material or unusual nature which has occurred between 31 December 2013 and the date of this report that would materially affect the results of the Group for the financial year ended 31 December 2013.

A9 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial year ended 31 December 2013.

A10 Changes in Contingent Liabilities or Contingent Assets

In July 2013, the Company issued a corporate guarantee to The Bank of East Asia Limited, Labuan Branch ("BEA") for an amount up to USD30.0 million in respect of a Short Term Revolving Credit ("STRC") facility of USD30.0 million granted to Madarac Corporation ("Madarac"), the Company's wholly-owned subsidiary incorporated in the British Virgin Islands.

A11 Capital Commitments

Capital commitments for property, plant and equipment and investment properties not provided for as at 31 December 2013 are as follows:-

	RM'000
Authorised and contracted for	5,008
Authorised but not contracted for	210,834
	215,842

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A12	Related Party Transactions	12 months ended 31.12.2013 RM'000
<hr/>		
<u>Transactions with subsidiaries of the ultimate holding company</u>		
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		15,629
<u>Transactions with corporations in which Mdm Kuok Oon Kwong, a Director of the Company, has direct or indirect financial interests</u>		
Office rental income received from Kuok Brothers Sdn Bhd, PPB Group Berhad, PPB Oil Palms Berhad, PGEO Marketing Sdn Bhd and Chemquest Sdn Bhd		2,273
<u>Transactions with associates of the Group</u>		
Additional loans granted by Madarac Corporation, the Group's wholly-owned subsidiary incorporated in the British Virgin Islands to its associated companies in Myanmar		52,063

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B1 Review of Group Results Full Year 2013 vs Full Year 2012

In the year ended 31 December 2013, Group revenue increased by 9% to RM511.225 million from RM469.572 million in 2012.

Group profit before tax for the full year 2013 which included non-operating items was RM168.181 million, 64% higher than RM102.470 million in 2012. In tandem, the Group's net profit attributable to shareholders for 2013 rose by 93% to RM130.367 million from RM67.389 million recorded in 2012.

Non-operating items in the year ended 31 December 2013 comprised:

- an impairment reversal of RM29.744 million relating to the Group's investments in Myanmar, where the operating environment has seen a steady improvement, given the more stable economic and political conditions. This reversal is disclosed in the income statement of the Group as an exceptional item.
- the Group's share of the net fair value gain of RM7.292 million on Shangri-La Residences, comprising two towers of 240 serviced apartments held by Shangri-La Yangon Company Ltd, the Group's 22.22% associate, which commenced business operations in November 2013.
- fair value gains of RM4.817 million from the revaluation of investment properties.

Excluding these non-operating items and the related deferred tax on the increase in fair value of investment properties, the net profit attributable to shareholders for 2013 was RM94.397 million, an increase of 40% compared with RM67.389 million in 2012.

Overall, this strong operating result for 2013 was underpinned largely by a robust performance from Rasa Ria Resort, as well as by the better performances from all the other Group hotels and from UBN Tower.

In the year, revenue from Rasa Ria Resort grew strongly by 28% to RM113.255 million due to the benefits from its newly renovated Garden Wing guestrooms, which were completed in May 2012, combined with a buoyant local market. The resort ended the year with a pre-tax profit of RM28.132 million, up 79% from RM15.688 million in 2012. Occupancy at the resort improved to 75% from 57% the previous year.

On the back of higher leisure demand, Rasa Sayang Resort raised its occupancy to 67% from 62% in 2012. This contributed to a 5% improvement in overall revenue over 2012 to RM77.442 million, whilst pre-tax profit increased by 25% from RM15.342 million to RM19.129 million in 2013.

Golden Sands Resort also delivered good results in 2013, driven by a healthy growth in the average room rate and in food and beverage sales. Revenue from its operations rose by 4% to RM56.429 million, and pre-tax profit improved by 11% from RM14.477 million in the prior year to RM16.070 million. Room occupancy at the resort for 2013 remained flat at 72%.

An increase in rooms and food and beverage business enabled Shangri-La Hotel Kuala Lumpur to generate a 4% rise in revenue during 2013 to RM192.589 million, with pre-tax profit growing to RM43.222 million from RM42.369 million the year before. The hotel's occupancy increased to 81% from 75% in 2012.

There was also an encouraging performance by Traders Hotel Penang. Overall revenue for the hotel increased by 5% in the year to RM41.382 million, mostly due to good growth in the average room rate. The hotel made a higher pre-tax profit of RM7.813 million for 2013, compared with RM7.571 million the previous year. The hotel's occupancy was 80% versus 84% in 2012.

The combined rental revenue from the Group's investment properties in Kuala Lumpur was up 7% on 2012 to RM25.109 million. Without fair value gains from the year-end revaluation, their combined pre-tax profit for 2013 grew by 13% to RM15.234 million from RM13.493 million last year. Growth came from stronger contributions from UBN Tower, supported by higher occupancy and average rental rates.

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B1 Review of Group Results Full Year 2013 vs Full Year 2012 (cont'd)

The Group's share of net profits from Traders Yangon Company Ltd (TYCL) and Shangri-La Yangon Company Ltd, its associates in Myanmar was RM8.825 million for the year ended 31 December 2013, and included the share of net fair value gain on Shangri-La Residences. The Group's share of associate results in 2012 of RM1.186 million relates only to the contribution from TYCL, which owns Traders Hotel Yangon.

B2 Comparison of Group Results 4th Quarter 2013 vs 3rd Quarter 2013

Group revenue for the fourth quarter ended 31 December 2013 decreased to RM131.743 million from RM133.423 million in the third quarter to 30 September 2013. This was attributable to a fall in revenue at Rasa Ria Resort, partially mitigated by increased revenues from the other Group hotels, as well as from the Group's investment properties.

Despite lower revenue, Group pre-tax profit showed a substantial improvement to RM74.689 million compared with RM33.862 million in the third quarter 2013, largely due to a write back of the impairment provision of RM29.744 million previously made against the Group's investments in Myanmar, at the end of the fourth quarter 2013.

In line with softer leisure demand, Rasa Ria Resort saw occupancy drop to 75% during the fourth quarter 2013 from 85% in the third quarter 2013, with overall revenue down by 20% to RM27.976 million. Both Rasa Sayang Resort and Golden Sands Resort, on the other hand generated higher revenues of RM20.784 million and RM14.904 million, respectively as compared to the third quarter 2013, lifted mainly by good increases in the average room rates.

Additionally, Shangri-La Hotel Kuala Lumpur achieved revenue growth of 3% over the 2013 third quarter to RM48.879 million, with improved performances from rooms and food and beverage operations. For Traders Hotel Penang, revenue was up 13% to RM11.328 million, mainly driven by a higher occupancy level of 84% versus 77% in the third quarter 2013.

The combined rental revenue from the Group's investment properties in Kuala Lumpur for the fourth quarter 2013 rose by 2% to RM6.382 million when compared to the third quarter ended 30 September 2013.

B3 Prospects for 2014

While some economic uncertainties remain, the overall prospects for the Group's hotel business for 2014 appear to be encouraging. The Group's hotels and resorts are strongly positioned to benefit from the expected continuing positive momentum in both the business and leisure travel markets.

Several guestrooms enhancement plans are scheduled to take place in 2014. At Rasa Sayang Resort, a comprehensive refurbishment programme for its Garden Wing rooms is due to commence sometime in the second quarter and complete by December 2014, whilst a phased major renovation of all the guestrooms at Traders Hotel Penang is anticipated to start in late 2014. In addition, a soft refurbishment of the existing Ocean Wing rooms at Rasa Ria Resort will soon be underway with completion targeted in the third quarter of 2014. It is expected that the planned renovations at the three hotels would cause some disruptions to their business operations during 2014.

For the investment properties, UBN Tower should continue to fare well as the prime office rental market in Kuala Lumpur is likely to stay generally stable through 2014. However, the operating environment for UBN Apartments will remain very challenging.

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B4 Variance on Profit Forecast/Profit Guarantee

Not applicable.

B5 Taxation

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

	3 months ended		12 months ended	
	31.12.2013 RM'000	31.12.2012 RM'000 (restated) ^(a)	31.12.2013 RM'000	31.12.2012 RM'000 (restated) ^(a)
Current taxation				
- Company and subsidiaries	8,212	7,811	25,463	22,977
Deferred taxation	(2,373)	(184)	5,554	5,631
(Over)/under provision in respect of prior years				
- Company and subsidiaries	(2,147)	1,754	(2,644)	1,765
	3,692	9,381	28,373	30,373

^(a) Prior year comparatives have been restated due to retrospective application of the revised MFRS 119 – Employee Benefits which came into effect on 1 January 2013. Refer to Note A1.1 for further details.

The Group's overall effective tax rate on profit before tax for the financial year ended 31 December 2013 was 17%. This is lower compared with the statutory tax rate of 25% as the Group recorded an exceptional item in respect of an impairment reversal of RM29.744 million relating to the Group's investments in Myanmar, which is non-taxable and due to the availability of Investment Tax Allowance ("ITA") tax incentive in a subsidiary of the Group.

B6 Status of Corporate Proposals

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

B7 Group Borrowings and Debt Securities

Group borrowings as at 31 December 2013 comprise the following:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	-	-	-
Unsecured	111,482*	-	111,482
	111,482*	-	111,482

* Amounts drawdown consist of HKD50.600 million and USD9.510 million from two offshore banks in Labuan. It also includes USD18.0 million from a local bank.

There were no debt securities in the financial year ended 31 December 2013.

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B8 Financial Instruments

Derivatives

There were no outstanding derivative financial instruments as at 31 December 2013.

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 2013.

B9 Changes in Material Litigation

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

B10 Dividend

The Directors are recommending a final single tier dividend of 10 sen per share and a special single tier dividend of 5 sen per share for the financial year ended 31 December 2013 (2012: final single tier dividend of 7 sen per share) for approval by shareholders at the forthcoming Annual General Meeting of the Company to be held on Tuesday, 20 May 2014.

The proposed final single tier dividend of 10 sen per share and special single tier dividend of 5 sen per share, together with the interim single tier dividend of 3 sen per share paid on 21 November 2013, will give a total dividend of 18 sen per share for the financial year ended 31 December 2013 (2012: single tier dividend of 10 sen per share). The proposed final single tier dividend of 10 sen per share and special single tier dividend of 5 sen per share, if approved at the Annual General Meeting will be paid on Monday, 30 June 2014.

NOTICE IS HEREBY GIVEN that the final single tier dividend of 10 sen per share and special single tier dividend of 5 sen per share for the financial year ended 31 December 2013 will be payable to shareholders whose names appear on the Record of Depositors on Thursday, 5 June 2014.

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 Thursday, 5 June 2014 in respect of transfers.
- (ii) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

B11 Earnings per Share

The basic earnings per ordinary share for the financial year ended 31 December 2013 have been calculated as follows:-

	3 months ended		12 months ended	
	31.12.2013	31.12.2012 (restated) ^(a)	31.12.2013	31.12.2012 (restated) ^(a)
Profit attributable to shareholders of the Company (RM'000)	67,763	10,504	130,367	67,389
No. of ordinary shares in issue ('000)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (sen)	15.40	2.39	29.63	15.32

- ^(a) Prior year comparatives have been restated due to retrospective application of the revised MFRS 119 – Employee Benefits which came into effect on 1 January 2013. Refer to Note A1.1 for further details.

Diluted Earnings per Share

Not applicable.

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B12 Realised and Unrealised Profits/Losses

	As at 31.12.2013 RM'000	As at 31.12.2012 RM'000 (restated) ^(a)
Total retained profits of the Company and its subsidiaries		
- Realised	471,689	267,313
- Unrealised	98,930	61,430
	570,619	328,743
Total share of accumulated losses in associated companies		
- Realised	(50,790)	(52,323)
- Unrealised	7,292	-
	527,121	276,420
Add : Consolidation adjustments	(116,783)	48,011
Total Group retained profits	410,338	324,431

- (a) Prior year comparatives have been restated due to retrospective application of the revised MFRS 119 – Employee Benefits which came into effect on 1 January 2013. Refer to Note A1.1 for further details.

B13 Notes to the Statements of Comprehensive Income

	3 months ended		12 months ended	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Net profit for the period/year is arrived at after charging:-				
Interest expense	(434)	(378)	(1,416)	(1,920)
Depreciation	(13,769)	(13,633)	(54,942)	(53,220)
Foreign exchange loss	(704)	(28)	(5,361)	(3,832)
and after crediting:-				
Exceptional item - Impairment reversal on the Group's investments in Myanmar <i>(Refer to Note A3 for further details)</i>	29,744	-	29,744	-
Interest income	584	148	1,312	444
Foreign exchange gain	1,661	402	11,276	1,466
Write back of allowance for doubtful debts				
- loans to associates	-	21	-	3,825
- trade receivables	123	2	84	51

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 2013.

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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 2012.

By Order of the Board
Datin Rozina Mohd Amin
Company Secretary

Kuala Lumpur
27 February 2014