

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

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	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	112,643	99,632	112,643	99,632
Operating profit before exceptional item	27,906	22,752	27,906	22,752
Exceptional item	-	-	-	-
Operating profit after exceptional item	27,906	22,752	27,906	22,752
Interest expense	(938)	(1,309)	(938)	(1,309)
Interest income	92	47	92	47
Share of results of an associated company	390	118	390	118
Profit before tax	27,450	21,608	27,450	21,608
Tax expense	(4,234)	(2,676)	(4,234)	(2,676)
Profit for the period	23,216	18,932	23,216	18,932
<u>Attributable to:</u>				
Shareholders of the Company	20,564	16,616	20,564	16,616
Minority interests	2,652	2,316	2,652	2,316
	23,216	18,932	23,216	18,932
Basic Earnings per Ordinary Share (sen)	4.67	3.78	4.67	3.78
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 2010)

NA - not applicable

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		3 months ended	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	23,216	18,932	23,216	18,932
Other comprehensive income/(expense) for the period	-	-	-	-
Total comprehensive income for the period	23,216	18,932	23,216	18,932
<u>Attributable to:</u>				
Shareholders of the Company	20,564	16,616	20,564	16,616
Minority interests	2,652	2,316	2,652	2,316
	23,216	18,932	23,216	18,932

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	As at 31.3.2011 RM'000	As at 31.12.2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	736,025	745,351
Investment properties	266,846	266,846
Interest in associates	10,681	10,291
Property development expenditure	12,249	12,240
	<u>1,025,801</u>	<u>1,034,728</u>
Current assets		
Inventories	9,181	8,754
Trade and other receivables, prepayments and deposits	25,387	24,796
Tax recoverable	2,827	3,246
Cash and cash equivalents	25,749	17,200
	<u>63,144</u>	<u>53,996</u>
Total assets	<u>1,088,945</u>	<u>1,088,724</u>
EQUITY		
Capital and reserves		
Share capital	440,000	440,000
Reserves	372,398	351,834
Total equity attributable to shareholders of the Company	<u>812,398</u>	<u>791,834</u>
Minority interests	81,262	78,610
Total equity	<u>893,660</u>	<u>870,444</u>
LIABILITIES		
Non-current liabilities		
Long-term borrowings	40,058	46,258
Retirement benefits	13,051	12,878
Deferred tax liabilities	16,861	16,845
	<u>69,970</u>	<u>75,981</u>
Current liabilities		
Trade and other payables and accruals	68,525	81,414
Short-term borrowings	55,687	59,952
Current tax liabilities	1,103	933
	<u>125,315</u>	<u>142,299</u>
Total liabilities	<u>195,285</u>	<u>218,280</u>
Total equity and liabilities	<u>1,088,945</u>	<u>1,088,724</u>
Net Assets per Ordinary Share (RM) Attributable to Shareholders of the Company	1.85	1.80

(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010)

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2011

<i>All figures in RM'000</i>	<u>Attributable to Shareholders of the Company</u>			Total equity attributable to shareholders of the Company	Minority interests	Total equity
	Share capital	Share premium	Retained earnings			
	← Non-distributable →		← Distributable →			
Balance at 1 January 2010	440,000	104,501	203,774	748,275	69,632	817,907
Net profit for the period	-	-	16,616	16,616	2,316	18,932
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	16,616	16,616	2,316	18,932
Balance at 31 March 2010	440,000	104,501	220,390	764,891	71,948	836,839
Balance at 1 January 2011	440,000	104,501	247,333	791,834	78,610	870,444
Net profit for the period	-	-	20,564	20,564	2,652	23,216
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	20,564	20,564	2,652	23,216
Balance at 31 March 2011	440,000	104,501	267,897	812,398	81,262	893,660

(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 2010)

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the 3 months ended 31 March 2011**

	31.3.2011 RM'000	31.3.2010 RM'000
Profit before tax	27,450	21,608
Adjustments for non-cash flow:-		
Non-cash items	13,348	12,563
Non-operating items	846	1,262
Operating profit before changes in working capital	<u>41,644</u>	<u>35,433</u>
Changes in working capital		
Net change in current assets	(1,018)	299
Net change in current liabilities	(12,889)	(18,112)
Cash generated from operations	<u>27,737</u>	<u>17,620</u>
Income taxes paid	(3,629)	(2,341)
Retirement benefits paid	(252)	(160)
Net cash inflow from operating activities	<u>23,856</u>	<u>15,119</u>
Investing activities		
Interest income received	92	47
Purchase of property, plant and equipment	(4,286)	(4,130)
Expenditure on property development	(9)	(25)
Net cash outflow from investing activities	<u>(4,203)</u>	<u>(4,108)</u>
Financing activities		
Dividends paid to shareholders of the Company	-	-
Dividends paid to minority shareholder of a subsidiary	-	-
Repayment of loans	(10,166)	(6,406)
Interest expense paid	(938)	(1,309)
Net cash outflow from financing activities	<u>(11,104)</u>	<u>(7,715)</u>
Net increase in cash & cash equivalents	<u>8,549</u>	<u>3,296</u>
Cash & cash equivalents at beginning of the year	17,200	19,134
Cash & cash equivalents at end of financial period	<u>25,749</u>	<u>22,430</u>
Cash and cash equivalents at end of financial period	25,749	22,430
Bank overdraft at end of financial period	-	-
Cash & cash equivalents in the consolidated balance sheet	<u>25,749</u>	<u>22,430</u>

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010)

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

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

A1 Accounting Policies

The financial statements of the Group for the current reporting period have been prepared in accordance with FRS 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”), and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2010.

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 2010.

With effect from 1 January 2011, the Group adopted the following new or revised financial reporting standards (“FRS”) and amendments to existing standards that are relevant to its operations. These FRSs became effective for financial periods beginning on or after 1 March 2010 or later periods.

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures and Additional Exemptions for First-time Adopters
Amendments to FRS 3	Business Combinations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 101	Presentation of Financial Statements
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates
Amendments to FRS 128	Investments in Associates
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 139	Financial Instruments: Recognition & Measurement

The adoption of the above FRSs and amendments to existing standards did not result in any changes to the Group’s accounting policies or have any significant impact on the financial statements of the Group.

Revised FRS 124 Related Party Disclosures

The Group has not adopted the revised FRS 124, Related Party Disclosures that has been issued by MASB, which is relevant to the Group and effective for annual periods beginning on or after 1 January 2012. The Group will apply the revised FRS 124 from 1 January 2012 and its adoption is unlikely to have any impact on the financial position or results 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 period ended 31 March 2011.

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 31 March 2011.

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 first quarter ended 31 March 2011.

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NOTES PURSUANT TO FRS 134

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 31 March 2011.

A6 Dividends paid

There was no dividend paid during the financial period ended 31 March 2011.

A7 Segmental Reporting

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

For the quarter ended 31 March 2011 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment Revenue					
Revenue from external customers	107,472	4,636	535	-	112,643
Inter-segment revenue	-	479	944	(1,423)	-
Total revenue	107,472	5,115	1,479	(1,423)	112,643
Segment Results					
Operating profit	25,113	2,948	2,199	(2,354)	27,906
Interest expense	(1,303)	-	(33)	398	(938)
Interest income	401	66	23	(398)	92
Share of results of an associated company	390	-	-	-	390
Profit before tax	24,601	3,014	2,189	(2,354)	27,450

As at 31 March 2011 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets	945,203	254,820	14,430	(136,189)	1,078,264
Interest in associates	10,681	-	-	-	10,681
Total assets	955,884	254,820	14,430	(136,189)	1,088,945

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 March 2011 and the date of this report that would materially affect the results of the Group for the financial period ended 31 March 2011.

A9 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2011.

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 2010 to the date of this report.

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NOTES PURSUANT TO FRS 134

A11 Capital Commitments

Capital commitments for property, plant and equipment and investment properties not provided for as at 31 March 2011 are as follows:-

	RM'000
Authorised and contracted for	7,297
Authorised but not contracted for	60,996
	68,293

A12 Related Party Transactions

3 months ended 31.3.2011

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

3,439

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

B1 Review of Group Results 1st Quarter 2011 vs 1st Quarter 2010

In the first quarter ended 31 March 2011, Group revenue increased by 13% to RM112.643 million from RM99.632 million for the corresponding quarter ended 31 March 2010.

In tandem, Group profit before tax for the first three months of 2011 rose by 27% to RM27.450 million from RM21.608 million in 2010. Group profit attributable to shareholders of RM20.564 million for the period was 24% above that of RM16.616 million in the previous year.

The Group's financial results for the first quarter 2011 largely reflected the better operating performances across the Group's hotels and resorts in Kuala Lumpur and Penang, mostly due to good increases in occupancy levels.

Shangri-La Hotel Kuala Lumpur achieved revenue growth of 16% to RM38.646 million in the first three months of 2011, supported by higher business levels in both rooms and food and beverage operations. The hotel's occupancy grew to 69% from 54% in the previous year. For the period, the hotel produced a pre-tax profit of RM6.977 million compared with RM3.957 million in the first quarter 2010.

Revenue from Golden Sands Resort was up by 20% to RM12.091 million for the first quarter of 2011, with improvements in both occupancy and average room rates. Room occupancy at the resort rose from 50% to 59%, while the average room rate was 2% higher than 2010. The resort ended the quarter with a pre-tax profit of RM2.834 million as compared to RM0.968 million for 2010.

Results from Traders Hotel Penang during the first quarter 2011 benefited from a strong pick-up in corporate business. Overall, the hotel grew revenue by 30% to RM9.408 million and pre-tax profit improved from RM0.557 million in 2010 to RM2.142 million. The hotel's occupancy for the period was 89%, up significantly from 65% in the prior year quarter.

At Rasa Sayang Resort, an increase in leisure arrivals from its key markets enabled the resort to raise its occupancy level to 64% against 61% for the 2010 first quarter, leading to a rise of 11% in revenue to RM19.974 million. As a result, the resort's operating profit increased to RM5.343 million from RM4.641 million in the first quarter last year.

In Sabah, Rasa Ria Resort commenced a major renovation programme of its Garden Wing rooms in March 2011. Despite renovation disruptions, the resort managed to increase its revenue by 8% to RM25.949 million over the first quarter 2010 on a higher occupancy of 76% against 74% the previous year. However, the resort's pre-tax profit for the first quarter 2011 fell by 7% to RM8.104 million, which included a charge of RM1.118 million for certain asset write-offs relating to its renovation programme.

The investment properties of the Group reported a total combined rental revenue of RM5.115 million for the first quarter 2011, a drop of 14% from RM5.981 in 2010, and their combined pre-tax profit decreased to RM3.014 million from RM3.779 million the previous year.

For the three months to 31 March 2011, the Group's share of profit from Traders Hotel Yangon, its 23.53% associate hotel in Myanmar increased to RM0.390 million from RM0.118 million in the comparable quarter in 2010.

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

B2 Comparison of Group Results 1st Quarter 2011 vs 4th Quarter 2010

Group revenue for the first quarter ended 31 March 2011 grew to RM112.643 million compared with RM111.359 million in the fourth quarter ended 31 December 2010. The Group's pre-tax profit in the first quarter 2011 was RM27.450 million, up 39% from RM19.681 million for the fourth quarter 2010.

These improvements were attributable primarily to stronger revenue and profit contributions from Rasa Sayang Resort and Rasa Ria Resort, coupled with lower depreciation and interest expenses.

In the quarter under review, occupancy at Rasa Sayang Resort rose to 64% from 59% for the fourth quarter 2010, and this generated an overall 15% increase in revenue to RM19.974 million. For Rasa Ria Resort, occupancy improved to 76% from 70% in the fourth quarter 2010, with revenue up by 9% to RM25.949 million.

However, Golden Sands Resort saw occupancy drop to 59% from 70% in the fourth quarter 2010, resulting in an 8% fall in revenue to RM12.091 million. Both Shangri-La Hotel Kuala Lumpur and Traders Hotel Penang also recorded lower revenues compared with that for the fourth quarter 2010, mainly on account of reduced sales in food and beverage business. Revenues from Shangri-La Hotel Kuala Lumpur and Traders Hotel Penang fell by 4% and 3% over the 2010 fourth quarter to RM38.646 million and RM9.408 million respectively.

The combined rental revenue from the Group's investment properties in Kuala Lumpur for the first three months to 31 March 2011 decreased by 10% to RM5.115 million from RM5.654 million in the last quarter of 2010.

B3 Prospects for 2011

Looking forward, the prospects for the Group's hotel business look healthy.

The Group's hotels and resorts should continue to grow well as they are in a good position to take advantage of the expected continuing upturn in the business and leisure travel markets. Encouragingly, they are seeing the pace of demand growth from their major source markets in Europe starting to improve but the UK still remains slow.

At Rasa Ria Resort in Sabah, the major renovation work currently in progress for all the guestrooms in the Garden Wing will continue to have a negative effect on the financial performance of the resort, given the reduction in available rooms for sale. The renovation programme, which began in March 2011 is due to complete during the first quarter of 2012.

Overall demand in the property rental market in Kuala Lumpur is expected to stay fairly stable through the year, backed by a more positive economic climate, although occupancy and rental rates will remain under pressure due to the prevailing large amount of supply.

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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		3 months ended	
	31.3.2011 RM'000	31.3.2010 RM'000	31.3.2011 RM'000	31.3.2010 RM'000
Current taxation				
- Company and subsidiaries	4,218	2,455	4,218	2,455
Deferred taxation	16	220	16	220
Under provision in respect of prior years				
- Company and subsidiaries	-	1	-	1
	4,234	2,676	4,234	2,676

The overall effective tax rate on profit before tax for the first quarter ended 31 March 2011 was 15% compared with the statutory tax rate of 25%, mainly as a result of the availability of Investment Tax Allowance ("ITA") incentive in the Company, as well as in a subsidiary of the Group.

B6 Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties during the financial period ended 31 March 2011.

B7 Quoted Securities

(a) There were no purchases or disposals of quoted securities during the financial period ended 31 March 2011.

(b) There were no investments in quoted securities as at 31 March 2011.

B8 Status of Corporate Proposals

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

B9 Group Borrowings and Debt Securities

The Group borrowings as at 31 March 2011 comprise the following:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	-	-	-
Unsecured	55,687*	40,058	95,745
	55,687*	40,058	95,745

* Amounts drawdown include HKD38.938 million from an offshore bank in Labuan.

There were no debt securities in the financial period ended 31 March 2011.

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

B10 Financial Instruments

Derivatives

There were no outstanding derivative financial instruments as at 31 March 2011.

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 2011.

B11 Changes in Material Litigation

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

B12 Dividend

No interim dividend has been declared for the financial period ended 31 March 2011.

B13 Earnings per Share

The basic earnings per ordinary share for the three (3) months ended 31 March 2011 has been calculated as follows:-

	3 months ended		3 months ended	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
Profit attributable to shareholders of the Company (<i>RM'000</i>)	20,564	16,616	20,564	16,616
No. of ordinary shares in issue (<i>'000</i>)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (<i>sen</i>)	4.67	3.78	4.67	3.78

Diluted Earnings per Share

Not applicable.

B14 Realised and Unrealised Profits/Losses

	As at 31.3.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	205,143	178,455
- Unrealised	57,194	58,702
	262,337	237,157
Total share of accumulated losses in an associated company		
- Realised	(53,677)	(54,067)
- Unrealised	-	-
	208,660	183,090
Add : Consolidated adjustments	59,237	64,243
Total Group retained profits	267,897	247,333

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

B15 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 2010.

Kuala Lumpur
20 May 2011

By Order of the Board
Datin Rozina Mohd Amin
Company Secretary