

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2011**

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

|   | 3 months ended      |                     | 6 months ended      |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 30.6.2011<br>RM'000 | 30.6.2010<br>RM'000 | 30.6.2011<br>RM'000 | 30.6.2010<br>RM'000 |
| Revenue                                   | 101,668             | 99,065              | 214,311             | 198,697             |
| Operating profit before exceptional item  | 17,904              | 22,370              | 45,810              | 45,122              |
| Exceptional item                          | -                   | -                   | -                   | -                   |
| Operating profit after exceptional item   | 17,904              | 22,370              | 45,810              | 45,122              |
| Interest expense                          | (767)               | (1,342)             | (1,705)             | (2,651)             |
| Interest income                           | 141                 | 55                  | 233                 | 102                 |
| Share of results of an associated company | 36                  | 12                  | 426                 | 130                 |
| <b>Profit before tax</b>                  | <b>17,314</b>       | <b>21,095</b>       | <b>44,764</b>       | <b>42,703</b>       |
| Tax expense                               | (4,296)             | (3,135)             | (8,530)             | (5,811)             |
| <b>Profit for the period</b>              | <b>13,018</b>       | <b>17,960</b>       | <b>36,234</b>       | <b>36,892</b>       |
| <u>Attributable to:</u>                   |                     |                     |                     |                     |
| Shareholders of the Company               | 11,761              | 15,812              | 32,325              | 32,428              |
| Minority interests                        | 1,257               | 2,148               | 3,909               | 4,464               |
|   | <b>13,018</b>       | <b>17,960</b>       | <b>36,234</b>       | <b>36,892</b>       |
| Basic Earnings per Ordinary Share (sen)   | 2.67                | 3.59                | 7.35                | 7.37                |
| 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  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2011**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|   | 3 months ended |               | 3 months ended |               |
|---|----------------|---------------|----------------|---------------|
|   | 30.6.2011      | 30.6.2010     | 30.6.2011      | 30.6.2010     |
|   | RM'000         | RM'000        | RM'000         | RM'000        |
| Profit for the period                               | 13,018         | 17,960        | 36,234         | 36,892        |
| Other comprehensive income/(expense) for the period | -              | -             | -              | -             |
| <b>Total comprehensive income for the period</b>    | <b>13,018</b>  | <b>17,960</b> | <b>36,234</b>  | <b>36,892</b> |
| <u>Attributable to:</u>                             |                |               |                |               |
| Shareholders of the Company                         | 11,761         | 15,812        | 32,325         | 32,428        |
| Minority interests                                  | 1,257          | 2,148         | 3,909          | 4,464         |
|   | <b>13,018</b>  | <b>17,960</b> | <b>36,234</b>  | <b>36,892</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 2010)*

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2011**

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**

|   | As at<br>30.6.2011<br>RM'000 | As at<br>31.12.2010<br>RM'000 |
|---|------------------------------|-------------------------------|
| <b>ASSETS</b>   |                              |                               |
| <b>Non-current assets</b>   |                              |                               |
| Property, plant and equipment   | 734,255                      | 745,351                       |
| Investment properties   | 266,846                      | 266,846                       |
| Interest in associates  | 10,717                       | 10,291                        |
| Property development expenditure  | 12,249                       | 12,240                        |
|   | <u>1,024,067</u>             | <u>1,034,728</u>              |
| <b>Current assets</b>   |                              |                               |
| Inventories   | 8,754                        | 8,754                         |
| Trade and other receivables, prepayments and deposits                             | 26,346                       | 24,796                        |
| Tax recoverable   | 3,450                        | 3,246                         |
| Cash and cash equivalents   | 13,952                       | 17,200                        |
|   | <u>52,502</u>                | <u>53,996</u>                 |
| <b>Total assets</b>   | <u>1,076,569</u>             | <u>1,088,724</u>              |
| <b>EQUITY</b>   |                              |                               |
| <b>Capital and reserves</b>   |                              |                               |
| Share capital   | 440,000                      | 440,000                       |
| Reserves  | 364,359                      | 351,834                       |
| <b>Total equity attributable to shareholders<br/>of the Company</b>               | <u>804,359</u>               | <u>791,834</u>                |
| Minority interests  | 82,519                       | 78,610                        |
| <b>Total equity</b>   | <u>886,878</u>               | <u>870,444</u>                |
| <b>LIABILITIES</b>  |                              |                               |
| <b>Non-current liabilities</b>  |                              |                               |
| Long-term borrowings  | 21,982                       | 46,258                        |
| Retirement benefits   | 13,272                       | 12,878                        |
| Deferred tax liabilities  | 17,397                       | 16,845                        |
|   | <u>52,651</u>                | <u>75,981</u>                 |
| <b>Current liabilities</b>  |                              |                               |
| Trade and other payables and accruals   | 71,674                       | 81,414                        |
| Short-term borrowings   | 63,199                       | 59,952                        |
| Current tax liabilities   | 2,167                        | 933                           |
|   | <u>137,040</u>               | <u>142,299</u>                |
| <b>Total liabilities</b>  | <u>189,691</u>               | <u>218,280</u>                |
| <b>Total equity and liabilities</b>   | <u>1,076,569</u>             | <u>1,088,724</u>              |
| Net Assets per Ordinary Share (RM)<br>Attributable to Shareholders of the Company | 1.83                         | 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  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2011**

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

For the six months ended 30 June 2011

| All figures in RM'000  | Attributable to Shareholders of the Company |               |                   | Total equity attributable to shareholders of the Company | Minority interests | Total equity |
|--|---|---------------|-------------------|--|--------------------|--------------|
|  | Share capital                               | Share premium | Retained earnings |  |                    |              |
|  | ← Non-distributable →                       |               | ← Distributable → |  |                    |              |
| <b>Balance at 1 January 2010</b>   | 440,000                                     | 104,501       | 203,774           | 748,275  | 69,632             | 817,907      |
| Net profit for the period  | -   | -             | 32,428            | 32,428   | 4,464              | 36,892       |
| Other comprehensive income/(expense) for the period                        | -   | -             | -                 | -  | -                  | -            |
| Total comprehensive income for the period                                  | -   | -             | 32,428            | 32,428   | 4,464              | 36,892       |
| Dividends paid   |   |               |                   |  |                    |              |
| - Final dividend for the financial year ended 31.12.2009 paid on 29.6.2010 | -   | -             | (16,500)          | (16,500)   | -                  | (16,500)     |
| <b>Balance at 30 June 2010</b>   | 440,000                                     | 104,501       | 219,702           | 764,203  | 74,096             | 838,299      |
| <b>Balance at 1 January 2011</b>   | 440,000                                     | 104,501       | 247,333           | 791,834  | 78,610             | 870,444      |
| Net profit for the period  | -   | -             | 32,325            | 32,325   | 3,909              | 36,234       |
| Other comprehensive income/(expense) for the period                        | -   | -             | -                 | -  | -                  | -            |
| Total comprehensive income for the period                                  | -   | -             | 32,325            | 32,325   | 3,909              | 36,234       |
| Dividends paid   |   |               |                   |  |                    |              |
| - Final dividend for the financial year ended 31.12.2010 paid on 30.6.2011 | -   | -             | (19,800)          | (19,800)   | -                  | (19,800)     |
| <b>Balance at 30 June 2011</b>   | 440,000                                     | 104,501       | 259,858           | 804,359  | 82,519             | 886,878      |

*(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  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2011**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
For the 6 months ended 30 June 2011**

|  | 30.6.2011<br>RM'000 | 30.6.2010<br>RM'000 |
|--|---------------------|---------------------|
| <b>Profit before tax</b>   | 44,764              | 42,703              |
| <b>Adjustments for non-cash flow:-</b>                               |                     |                     |
| Non-cash items   | 26,109              | 26,540              |
| Non-operating items  | 1,472               | 2,549               |
| <b>Operating profit before changes in working capital</b>            | <u>72,345</u>       | <u>71,792</u>       |
| <b>Changes in working capital</b>                                    |                     |                     |
| Net change in current assets   | (1,550)             | 507                 |
| Net change in current liabilities                                    | (9,740)             | (22,436)            |
| <b>Cash generated from operations</b>                                | <u>61,055</u>       | <u>49,863</u>       |
| Income taxes (paid)/refunded   | (6,948)             | 1,200               |
| Retirement benefits paid   | (462)               | (414)               |
| <b>Net cash inflow from operating activities</b>                     | <u>53,645</u>       | <u>50,649</u>       |
| <b>Investing activities</b>  |                     |                     |
| Interest income received   | 233                 | 102                 |
| Purchase of property, plant and equipment                            | (14,906)            | (8,144)             |
| Expenditure on property development                                  | (9)                 | (25)                |
| <b>Net cash outflow from investing activities</b>                    | <u>(14,682)</u>     | <u>(8,067)</u>      |
| <b>Financing activities</b>  |                     |                     |
| Dividends paid to shareholders of the Company                        | (19,800)            | (16,500)            |
| Dividends paid to minority shareholder of a subsidiary               | -                   | -                   |
| Repayment of loans   | (20,706)            | (21,209)            |
| Interest expense paid  | (1,705)             | (2,651)             |
| Drawdown of loans to an associate                                    | -                   | (952)               |
| <b>Net cash outflow from financing activities</b>                    | <u>(42,211)</u>     | <u>(41,312)</u>     |
| <b>Net (decrease)/increase in cash &amp; cash equivalents</b>        | <u>(3,248)</u>      | <u>1,270</u>        |
| Cash & cash equivalents at beginning of the year                     | 17,200              | 19,134              |
| <b>Cash &amp; cash equivalents at end of financial period</b>        | <u>13,952</u>       | <u>20,404</u>       |
| Cash and cash equivalents at end of financial period                 | 13,952              | 20,404              |
| Bank overdraft at end of financial period                            | -                   | 221                 |
| <b>Cash &amp; cash equivalents in the consolidated balance sheet</b> | <u>13,952</u>       | <u>20,625</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)*

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2011**

**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.

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**NOTES PURSUANT TO FRS 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 June 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 30 June 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 second quarter ended 30 June 2011.

**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 June 2011.

**A6 Dividends paid**

A final dividend of 6% or 6 sen per share less tax at 25% for the financial year ended 31 December 2010 amounting to RM19.800 million was paid on 30 June 2011. An interim dividend of 3% or 3 sen per share less tax at 25% amounting to RM9.900 million for the year ended 31 December 2010 was paid on 26 November 2010.

**A7 Segmental Reporting**

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

| For the period ended 30 June 2011<br><i>(All figures in RM'000)</i> | Hotels &<br>Resorts | Investment<br>Properties | Others       | Inter-segment<br>Elimination | Consolidated<br>Total |
|---|---------------------|--------------------------|--------------|------------------------------|-----------------------|
| <b>Segment Revenue</b>  |                     |                          |              |                              |                       |
| Revenue from external customers                                     | 203,882             | 9,284                    | 1,145        | -                            | 214,311               |
| Inter-segment revenue   | -                   | 966                      | 1,837        | (2,803)                      | -                     |
| <b>Total revenue</b>  | <b>203,882</b>      | <b>10,250</b>            | <b>2,982</b> | <b>(2,803)</b>               | <b>214,311</b>        |
| <b>Segment Results</b>  |                     |                          |              |                              |                       |
| Operating profit  | 40,834              | 5,669                    | 2,560        | (3,253)                      | 45,810                |
| Interest expense  | (2,510)             | -                        | (68)         | 873                          | (1,705)               |
| Interest income   | 921                 | 137                      | 48           | (873)                        | 233                   |
| Share of results of an associated company                           | 426                 | -                        | -            | -                            | 426                   |
| <b>Profit before tax</b>  | <b>39,671</b>       | <b>5,806</b>             | <b>2,540</b> | <b>(3,253)</b>               | <b>44,764</b>         |

| As at 30 June 2011<br><i>(All figures in RM'000)</i> | Hotels &<br>Resorts | Investment<br>Properties | Others        | Inter-segment<br>Elimination | Consolidated<br>Total |
|--|---------------------|--------------------------|---------------|------------------------------|-----------------------|
| Segment assets                                       | 1,391,488           | 255,328                  | 14,629        | (595,593)                    | 1,065,852             |
| Interest in associates                               | 10,717              | -                        | -             | -                            | 10,717                |
| <b>Total assets</b>                                  | <b>1,402,205</b>    | <b>255,328</b>           | <b>14,629</b> | <b>(595,593)</b>             | <b>1,076,569</b>      |

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
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**NOTES PURSUANT TO FRS 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 June 2011 and the date of this report that would materially affect the results of the Group for the financial period ended 30 June 2011.

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

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

**A11 Capital Commitments**

Capital commitments for property, plant and equipment and investment properties not provided for as at 30 June 2011 are as follows:-

|                                   |        |
|-----------------------------------|--------|
|                                   | RM'000 |
| Authorised and contracted for     | 36,155 |
| Authorised but not contracted for | 20,982 |
|                                   | 57,137 |

**A12 Related Party Transactions**

6 months ended 30.6.2011

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

6,358



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

**B1 Review of Group Results 1st Half 2011 vs 1st Half 2010**

For the first six months ended 30 June 2011, the Group recorded an 8% increase in revenue to RM214.311 million compared with RM198.697 million in the corresponding period in 2010. Group pre-tax profit for the half year was RM44.764 million, up 5% from RM42.703 million in 2010. The growth came largely from Shangri-La Hotel Kuala Lumpur and Traders Hotel Penang, and helped offset the reduced performance of Rasa Ria Resort as a result of its major renovation programme for all the guestrooms in the Garden Wing, which started in March 2011.

After accounting for higher tax expenses, the Group's profit attributable to shareholders for the six months was RM32.325 million, slightly below that of RM32.428 million recorded in 2010.

During the half year, revenue from Shangri-La Hotel Kuala Lumpur rose by 14% to RM78.398 million on the back of stronger business levels both in rooms and in food and beverage operations. Room occupancy at the hotel improved to 70% from 55% the previous year. For the first six months of 2011, the hotel posted a pre-tax profit of RM14.290 million, a 60% growth compared with RM8.934 million in 2010.

Traders Hotel Penang performed well as a rise in corporate demand enabled the hotel to improve its occupancy to 87% from 66% in the prior first half. Overall, the hotel's revenue grew by 28% to RM18.844 million and pre-tax profit increased by 177% to RM3.995 million from RM1.444 million for the first half 2010.

There was also a good performance by Golden Sands Resort, with revenue improving by 15% to RM23.907 million in the first six months of 2011, and pre-tax profit up by 82% to RM5.278 million compared with RM2.898 million for the same period in the previous year. Room occupancy at the resort was 63%, up from 55% in 2010.

At Rasa Sayang Resort, revenue increased by 6% to RM34.821 million, helped by a healthy growth in food and beverage business. The resort's occupancy for the first half 2011 was flat at 59%. Despite higher revenue, the resort reported a lower operating profit of RM7.326 million versus RM8.410 million for the first half 2010. The 2010 profit had benefited from a write-back of prior years' cost provisions for property assessments no longer required. Excluding this write-back, the resort's operating profit of RM7.326 million was 13% higher as compared to RM6.509 million in 2010.

Due to renovation disruptions, Rasa Ria Resort saw occupancy decrease to 67% for the first half of 2011 against 71% in 2010, leading to a 4% drop in revenue to RM45.532 million. The resort's pre-tax profit declined by 31% over the first half of last year to RM11.416 million, and included a charge of RM1.118 million to write-off certain assets related to its Garden Wing guestroom renovation programme.

The investment properties of the Group produced a total combined rental revenue of RM10.250 million for the 2011 half year, down 15% from RM11.992 million in 2010, while their combined pre-tax profit decreased to RM5.806 million from RM7.573 million the previous year.

In the half year to 30 June 2011, the Group's share of profit from Traders Hotel Yangon, its 23.53% associate hotel in Myanmar increased to RM0.426 million compared with RM0.130 million in the comparable prior year period.

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

**B2 Comparison of Group Results 2nd Quarter 2011 vs 1st Quarter 2011**

The Group's revenue for the second quarter ended 30 June 2011 was RM101.668 million, 10% lower than RM112.643 million in the first quarter ended 31 March 2011. Group profit before tax in the second quarter 2011 consequently decreased to RM17.314 million from RM27.450 million for the first quarter 2011. These reductions were mostly due to weaker revenue and profit contributions from Rasa Ria Resort and Rasa Sayang Resort.

For the second quarter, occupancy at Rasa Ria Resort dropped to 58% from 76% in the first three months of 2011, reflecting the impact of its renovation programme that began in March 2011. As a result, revenue for the resort fell by 25% during the second quarter to RM19.583 million. Faced with lower demand, Rasa Sayang Resort recorded a fall in occupancy to 54% versus 64%, with revenue down by 26% to RM14.847 million as compared with the first quarter 2011. Additionally, Golden Sands Resort saw its revenue decrease by 2% to RM11.816 million on account of softer average room rates.

Shangri-La Hotel Kuala Lumpur, on the other hand registered a 3% growth in revenue over the first quarter 2011 to RM39.752 million, with increases in both occupancy and average room rate. The overall revenue from Traders Hotel Penang for the second quarter 2011 improved slightly to RM9.436 million as higher room revenue was partly offset by reduced food and beverage sales.

The combined rental revenue from the Group's investment properties in Kuala Lumpur for the second quarter to 30 June 2011 at RM5.135 million was largely in line with the revenue of RM5.115 million reported in the first quarter 2011.

**B3 Prospects for 2011**

Notwithstanding the uncertainties in the global economy, the operating environment for the Group's hotel business is expected to stay reasonably healthy during the second half of 2011. The Group's hotels and resorts should continue to show some growth, although the recovery in demand from their key long haul markets in Europe, especially the UK will remain slow.

The major renovation programme of the Garden Wing guestrooms currently underway at Rasa Ria Resort will continue to weigh on the business levels and financial performance of the resort, due to the reduced availability of rooms for sale. The programme, which commenced in March 2011 is expected to be completed in the first quarter of 2012.

The investment properties of the Group are likely to experience greater competitive pressure on occupancy and rental rates, given the existing large oversupply and continued weak demand growth.

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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      |                     | 6 months ended      |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | 30.6.2011<br>RM'000 | 30.6.2010<br>RM'000 | 30.6.2011<br>RM'000 | 30.6.2010<br>RM'000 |
| Current taxation                         |                     |                     |                     |                     |
| - Company and subsidiaries               | 3,783               | 2,990               | 8,001               | 5,445               |
| Deferred taxation                        | 536                 | 222                 | 552                 | 442                 |
| Over provision in respect of prior years |                     |                     |                     |                     |
| - Company and subsidiaries               | (23)                | (77)                | (23)                | (76)                |
|  | 4,296               | 3,135               | 8,530               | 5,811               |

The Group's effective tax rate on profit before tax for the first half ended 30 June 2011 at 19% was lower than the statutory tax rate of 25%, mainly due to 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 30 June 2011.

**B7 Quoted Securities**

(a) There were no purchases or disposals of quoted securities during the financial period ended 30 June 2011.

(b) There were no investments in quoted securities as at 30 June 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 30 June 2011 comprise the following:-

|           | Short Term<br>RM'000 | Long Term<br>RM'000 | Total<br>RM'000 |
|-----------|----------------------|---------------------|-----------------|
| Secured   | -                    | -                   | -               |
| Unsecured | 63,199*              | 21,982              | 85,181          |
|           | 63,199*              | 21,982              | 85,181          |

\* Amounts drawdown include HKD39.029 million from an offshore bank in Labuan.

There were no debt securities in the financial period ended 30 June 2011.

**SHANGRI-LA HOTELS (MALAYSIA) BERHAD**  
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**NOTES REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA – PART A OF**  
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**B10 Financial Instruments**

**Derivatives**

There were no outstanding derivative financial instruments as at 30 June 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 30 June 2011.

**B11 Changes in Material Litigation**

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

**B12 Dividend**

The Board has declared an interim dividend of 3 sen or 3% per ordinary share less tax at 25% in respect of the financial year ending 31 December 2011 (2010 interim dividend: 3 sen or 3% per ordinary share less tax at 25%). The interim dividend is payable on Wednesday, 23 November 2011.

NOTICE IS HEREBY GIVEN that the interim dividend will be paid to shareholders whose names appear in the Record of Depositors on Wednesday, 2 November 2011.

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 Wednesday, 2 November 2011 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.

**B13 Earnings per Share**

The basic earnings per ordinary share for the six (6) months ended 30 June 2011 has been calculated as follows:-

|   | 3 months ended |           | 6 months ended |           |
|---|----------------|-----------|----------------|-----------|
|   | 30.6.2011      | 30.6.2010 | 30.6.2011      | 30.6.2010 |
| Profit attributable to shareholders of the Company (RM'000) | 11,761         | 15,812    | 32,325         | 32,428    |
| No. of ordinary shares in issue ('000)                      | 440,000        | 440,000   | 440,000        | 440,000   |
| Basic Earnings Per Share (sen)                              | 2.67           | 3.59      | 7.35           | 7.37      |

**Diluted Earnings per Share**

Not applicable.

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**B14 Realised and Unrealised Profits/Losses**

|  | As at<br>30.6.2011<br>RM'000 | As at<br>31.12.2010<br>RM'000 |
|--|------------------------------|-------------------------------|
| Total retained profits of the Company and its subsidiaries |                              |                               |
| - Realised   | 199,894                      | 178,455                       |
| - Unrealised   | 56,524                       | 58,702                        |
|  | 256,418                      | 237,157                       |
| Total share of accumulated losses in an associated company |                              |                               |
| - Realised   | (53,641)                     | (54,067)                      |
| - Unrealised   | -                            | -                             |
|  | 202,777                      | 183,090                       |
| Add : Consolidated adjustments                             | 57,081                       | 64,243                        |
| Total Group retained profits                               | 259,858                      | 247,333                       |

**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.

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

**Kuala Lumpur**  
**25 August 2011**