

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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 | |
|---|----------------|-----------------|----------------|-----------------|
| | 31.3.2012 | 31.3.2011 | 31.3.2012 | 31.3.2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 109,127 | 112,643 | 109,127 | 112,643 |
| Operating profit before exceptional item | 24,874 | 27,906 | 24,874 | 27,906 |
| Exceptional item | - | - | - | - |
| Operating profit after exceptional item | 24,874 | 27,906 | 24,874 | 27,906 |
| Interest expense | (573) | (938) | (573) | (938) |
| Interest income | 72 | 92 | 72 | 92 |
| Share of results of an associated company | 710 | 390 | 710 | 390 |
| Profit before tax | 25,083 | 27,450 | 25,083 | 27,450 |
| Tax expense | (6,208) | (6,534) # | (6,208) | (6,534) # |
| Profit for the period | 18,875 | 20,916 # | 18,875 | 20,916 # |
| <u>Attributable to:</u> | | | | |
| Shareholders of the Company | 18,406 | 18,688 # | 18,406 | 18,688 # |
| Minority interests | 469 | 2,228 # | 469 | 2,228 # |
| | 18,875 | 20,916 # | 18,875 | 20,916 # |
| Basic Earnings per Ordinary Share (sen) | 4.18 | 4.25 # | 4.18 | 4.25 # |
| Diluted Earnings per Ordinary Share (sen) | NA | NA | NA | NA |

Comparative figures have been adjusted due to retrospective application of MFRS 112 - Income Taxes, which is effective from 1 January 2012. Please refer to note A1.1 for more details.

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2011)

NA - not applicable

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 3 months ended | | 3 months ended | |
|---|----------------|-----------------|----------------|-----------------|
| | 31.3.2012 | 31.3.2011 | 31.3.2012 | 31.3.2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit for the period | 18,875 | 20,916 # | 18,875 | 20,916 # |
| Other comprehensive income/(expense) for the period | - | - | - | - |
| Total comprehensive income for the period | 18,875 | 20,916 # | 18,875 | 20,916 # |
| <u>Attributable to:</u> | | | | |
| Shareholders of the Company | 18,406 | 18,688 # | 18,406 | 18,688 # |
| Minority interests | 469 | 2,228 # | 469 | 2,228 # |
| | 18,875 | 20,916 # | 18,875 | 20,916 # |

Comparative figures have been adjusted due to retrospective application of MFRS 112 - Income Taxes, which is effective from 1 January 2012. Please refer to note A1.1 for more details.

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2011)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

| | As at 31.3.2012 RM'000 | As at 31.12.2011 RM'000 | As at 1.1.2011 RM'000 |
|---|------------------------------|-------------------------------|-----------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 731,598 | 731,059 | 745,351 |
| Investment properties | 266,899 | 266,899 | 266,846 |
| Interest in associates | 17,433 | 16,723 | 10,291 |
| Property development expenditure | 12,286 | 12,286 | 12,240 |
| Deferred tax assets | 4,710 | 5,587 # | 9,761 # |
| | <u>1,032,926</u> | <u>1,032,554 #</u> | <u>1,044,489 #</u> |
| Current assets | | | |
| Inventories | 8,204 | 8,809 | 8,754 |
| Trade and other receivables, prepayments and deposits | 28,259 | 23,938 | 24,796 |
| Tax recoverable | 1,306 | 1,765 | 3,246 |
| Cash and cash equivalents | 13,690 | 21,655 | 17,200 |
| | <u>51,459</u> | <u>56,167</u> | <u>53,996</u> |
| Total assets | <u>1,084,385</u> | <u>1,088,721 #</u> | <u>1,098,485 #</u> |
| EQUITY | | | |
| Capital and reserves | | | |
| Share capital | 440,000 | 440,000 | 440,000 |
| Reserves | 413,033 | 394,627 # | 368,559 # |
| Total equity attributable to shareholders of the Company | <u>853,033</u> | <u>834,627 #</u> | <u>808,559 #</u> |
| Minority interests | 83,324 | 82,855 # | 79,932 # |
| Total equity | <u>936,357</u> | <u>917,482 #</u> | <u>888,491 #</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Long-term borrowings | 5,306 | 5,306 | 46,258 |
| Retirement benefits | 13,683 | 13,404 | 12,878 |
| Deferred tax liabilities | 12,868 | 11,997 # | 8,559 # |
| | <u>31,857</u> | <u>30,707 #</u> | <u>67,695 #</u> |
| Current liabilities | | | |
| Trade and other payables and accruals | 57,977 | 75,887 | 81,414 |
| Short-term borrowings | 57,771 | 63,892 | 59,952 |
| Current tax liabilities | 423 | 753 | 933 |
| | <u>116,171</u> | <u>140,532</u> | <u>142,299</u> |
| Total liabilities | <u>148,028</u> | <u>171,239 #</u> | <u>209,994 #</u> |
| Total equity and liabilities | <u>1,084,385</u> | <u>1,088,721 #</u> | <u>1,098,485 #</u> |
| Net Assets per Ordinary Share (RM) Attributable to Shareholders of the Company | 1.94 | 1.90 # | 1.84 # |

Comparative figures have been adjusted due to retrospective application of MFRS 112 - Income Taxes, which is effective from 1 January 2012. Please refer to note A1.1 for more details.

(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2011)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three months ended 31 March 2012

| <i>All figures in RM'000</i> | 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 → | | | |
| Balance at 1 January 2011 | 440,000 | 104,501 | 264,058 # | 808,559 # | 79,932 # | 888,491 # |
| Net profit for the period | - | - | 18,688 # | 18,688 # | 2,228 # | 20,916 # |
| Other comprehensive income/(expense) for the period | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | 18,688 # | 18,688 # | 2,228 # | 20,916 # |
| Balance at 31 March 2011 | 440,000 | 104,501 | 282,746 # | 827,247 # | 82,160 # | 909,407 # |
| Balance at 1 January 2012 | 440,000 | 104,501 | 290,126 # | 834,627 # | 82,855 # | 917,482 # |
| Net profit for the period | - | - | 18,406 | 18,406 | 469 | 18,875 |
| Other comprehensive income/(expense) for the period | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | 18,406 | 18,406 | 469 | 18,875 |
| Balance at 31 March 2012 | 440,000 | 104,501 | 308,532 | 853,033 | 83,324 | 936,357 |

Comparative figures have been adjusted due to retrospective application of MFRS 112 - Income Taxes, which is effective from 1 January 2012. Please refer to note A1.1 for more details.

(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 2011)

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the 3 months ended 31 March 2012**

| | 31.3.2012 RM'000 | 31.3.2011 RM'000 |
|--|---------------------|---------------------|
| Profit before tax | 25,083 | 27,450 |
| Adjustments for non-cash flow:- | | |
| Non-cash items | 11,844 | 13,348 |
| Non-operating items | 501 | 846 |
| Operating profit before changes in working capital | <u>37,428</u> | <u>41,644</u> |
| Changes in working capital | | |
| Net change in current assets | (3,716) | (1,018) |
| Net change in current liabilities | (17,910) | (12,889) |
| Cash generated from operations | <u>15,802</u> | <u>27,737</u> |
| Income taxes paid | (4,331) | (3,629) |
| Retirement benefits paid | (183) | (252) |
| Net cash inflow from operating activities | <u>11,288</u> | <u>23,856</u> |
| Investing activities | | |
| Interest income received | 72 | 92 |
| Purchase of property, plant and equipment | (13,294) | (4,286) |
| Expenditure on property development | - | (9) |
| Net cash outflow from investing activities | <u>(13,222)</u> | <u>(4,203)</u> |
| Financing activities | | |
| Dividends paid to shareholders of the Company | - | - |
| Dividends paid to minority shareholder of a subsidiary | - | - |
| Repayment of loans | (5,688) | (10,166) |
| Interest expense paid | (573) | (938) |
| Net cash outflow from financing activities | <u>(6,261)</u> | <u>(11,104)</u> |
| Net (decrease)/increase in cash & cash equivalents | <u>(8,195)</u> | <u>8,549</u> |
| Cash & cash equivalents at beginning of the year | 21,655 | 17,200 |
| Cash & cash equivalents at end of financial period | <u>13,460</u> | <u>25,749</u> |
| Cash and cash equivalents at end of financial period | 13,690 | 25,749 |
| Bank overdraft at end of financial period | (230) | - |
| Cash & cash equivalents in the consolidated balance sheet | <u>13,460</u> | <u>25,749</u> |

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2011)

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

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

A1 First-time Adoption of Malaysian Financial Reporting Standards (“MFRS”)

The condensed consolidated interim financial statements of the Group for the first quarter ended 31 March 2012 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 2011. These condensed consolidated interim financial statements also comply with IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”). For periods up to and including the financial year ended 31 December 2011, the financial statements of the Group have been prepared in accordance with Financial Reporting Standards (“FRS”).

The Group has adopted the MFRS framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by MASB in order to fully converge Malaysia’s existing FRS framework with the International Financial Reporting Standards framework issued by the IASB.

A1.1 Significant Accounting Policies and Application of MFRS 1

These condensed consolidated interim financial statements are the Group’s first MFRS condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the year ending 31 December 2012. The Group has therefore applied MFRS 1 – First-time Adoption of Malaysian Financial Reporting Standards.

The adoption of the MFRS framework did not result in any substantial change to the Group’s accounting policies, nor any significant impact on the financial statements, as the accounting policies adopted by the Group under the previous FRS framework are consistent with the MFRS framework, except for the following:-

MFRS 112 – Income Taxes

MFRS 112 – Income Taxes requires that the Group recognises any unused investment tax allowance (“ITA”) incentive in respect of the Group’s hotels as deferred tax assets to the extent that it is probable that future taxable profit will be available against which the unused ITA can be utilised. Prior to the adoption of MFRS 112 – Income Taxes, the Group’s accounting policy was not to recognise any unused ITA as deferred tax assets.

In accordance with the transition provisions of MFRS 112, this change in accounting policy was applied retrospectively. Accordingly, 2011 comparative figures have been adjusted.

The financial effects on the Group’s financial statements arising from the adoption of MFRS 112 are as follows.

| Balance Sheet | As at 1.1.2011 RM’000 | As at 31.3.2011 RM’000 | As at 31.12.2011 RM’000 |
|---|----------------------------------|-----------------------------------|------------------------------------|
| Increase in deferred tax assets | 9,761 | 7,445 | 5,587 |
| Increase in total assets | 9,761 | 7,445 | 5,587 |
| Increase in retained earnings | 16,725 | 14,849 | 11,929 |
| Increase in total equity attributable to shareholders of the Company | 16,725 | 14,849 | 11,929 |
| Increase in minority interests | 1,322 | 898 | 325 |
| Increase in total equity | 18,047 | 15,747 | 12,254 |
| Decrease in deferred tax liabilities | (8,286) | (8,302) | (6,667) |
| Increase in total equity and liabilities | 9,761 | 7,445 | 5,587 |

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

NOTES PURSUANT TO MFRS 134

A1.1 **Significant Accounting Policies and Application of MFRS 1 (cont'd)**

| Income Statement | 3 months ended 31.3.2011 RM'000 | Year ended 31.12.2011 RM'000 |
|---|------------------------------------|---------------------------------|
| Increase in tax expense | 2,300 | 5,793 |
| Decrease in profit for the period/year | (2,300) | (5,793) |
| <u>Decrease in profit attributable to:</u> | | |
| Shareholders of the Company | (1,876) | (4,796) |
| Minority interests | (424) | (997) |

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

NOTES PURSUANT TO MFRS 134

A1.1 Significant Accounting Policies and Application of MFRS 1 (cont'd)

In the preparation of the Group's opening MFRS statements of financial positions, the amounts previously reported in accordance with FRS framework have been adjusted for the financial effects of the adoption of the MFRS framework. A reconciliation of these changes is summarised in the following tables.

Reconciliation of Consolidated Balance Sheet as at 1 January 2011

| | Under FRS Framework RM'000 | Effect of Transition to MFRS (MFRS 112) RM'000 | Under MFRS Framework RM'000 |
|---|----------------------------------|--|-----------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 745,351 | - | 745,351 |
| Investment properties | 266,846 | - | 266,846 |
| Interest in associates | 10,291 | - | 10,291 |
| Property development expenditure | 12,240 | - | 12,240 |
| Deferred tax assets | - | 9,761 | 9,761 |
| | 1,034,728 | 9,761 | 1,044,489 |
| Current assets | | | |
| Inventories | 8,754 | - | 8,754 |
| Trade and other receivables, prepayments and deposits | 24,796 | - | 24,796 |
| Tax recoverable | 3,246 | - | 3,246 |
| Cash and cash equivalents | 17,200 | - | 17,200 |
| | 53,996 | - | 53,996 |
| Total assets | 1,088,724 | 9,761 | 1,098,485 |
| EQUITY | | | |
| Capital and reserves | | | |
| Share capital | 440,000 | - | 440,000 |
| Share premium | 104,501 | - | 104,501 |
| Retained earnings | 247,333 | 16,725 | 264,058 |
| Total equity attributable to shareholders of the Company | 791,834 | 16,725 | 808,559 |
| Minority interests | 78,610 | 1,322 | 79,932 |
| Total equity | 870,444 | 18,047 | 888,491 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Long-term borrowings | 46,258 | - | 46,258 |
| Retirement benefits | 12,878 | - | 12,878 |
| Deferred tax liabilities | 16,845 | (8,286) | 8,559 |
| | 75,981 | (8,286) | 67,695 |
| Current liabilities | | | |
| Trade and other payables and accruals | 81,414 | - | 81,414 |
| Short-term borrowings | 59,952 | - | 59,952 |
| Current tax liabilities | 933 | - | 933 |
| | 142,299 | - | 142,299 |
| Total liabilities | 218,280 | (8,286) | 209,994 |
| Total equity and liabilities | 1,088,724 | 9,761 | 1,098,485 |

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

NOTES PURSUANT TO MFRS 134

AI.1 Significant Accounting Policies and Application of MFRS 1 (cont'd)

Reconciliation of Consolidated Balance Sheet as at 31 March 2011

| | Under FRS Framework RM'000 | Effect of Transition to MFRS (MFRS 112) RM'000 | Under MFRS Framework RM'000 |
|---|----------------------------------|--|-----------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 736,025 | - | 736,025 |
| Investment properties | 266,846 | - | 266,846 |
| Interest in associates | 10,681 | - | 10,681 |
| Property development expenditure | 12,249 | - | 12,249 |
| Deferred tax assets | - | 7,445 | 7,445 |
| | 1,025,801 | 7,445 | 1,033,246 |
| Current assets | | | |
| Inventories | 9,181 | - | 9,181 |
| Trade and other receivables, prepayments and deposits | 25,387 | - | 25,387 |
| Tax recoverable | 2,827 | - | 2,827 |
| Cash and cash equivalents | 25,749 | - | 25,749 |
| | 63,144 | - | 63,144 |
| Total assets | 1,088,945 | 7,445 | 1,096,390 |
| EQUITY | | | |
| Capital and reserves | | | |
| Share capital | 440,000 | - | 440,000 |
| Share premium | 104,501 | - | 104,501 |
| Retained earnings | 267,897 | 14,849 | 282,746 |
| Total equity attributable to shareholders of the Company | 812,398 | 14,849 | 827,247 |
| Minority interests | 81,262 | 898 | 82,160 |
| Total equity | 893,660 | 15,747 | 909,407 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Long-term borrowings | 40,058 | - | 40,058 |
| Retirement benefits | 13,051 | - | 13,051 |
| Deferred tax liabilities | 16,861 | (8,302) | 8,559 |
| | 69,970 | (8,302) | 61,668 |
| Current liabilities | | | |
| Trade and other payables and accruals | 68,525 | - | 68,525 |
| Short-term borrowings | 55,687 | - | 55,687 |
| Current tax liabilities | 1,103 | - | 1,103 |
| | 125,315 | - | 125,315 |
| Total liabilities | 195,285 | (8,302) | 186,983 |
| Total equity and liabilities | 1,088,945 | 7,445 | 1,096,390 |

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

NOTES PURSUANT TO MFRS 134

A1.1 Significant Accounting Policies and Application of MFRS 1 (cont'd)

Reconciliation of Consolidated Balance Sheet as at 31 December 2011

| | Under FRS Framework RM'000 | Effect of Transition to MFRS (MFRS 112) RM'000 | Under MFRS Framework RM'000 |
|---|----------------------------------|--|-----------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 731,059 | - | 731,059 |
| Investment properties | 266,899 | - | 266,899 |
| Interest in associates | 16,723 | - | 16,723 |
| Property development expenditure | 12,286 | - | 12,286 |
| Deferred tax assets | - | 5,587 | 5,587 |
| | 1,026,967 | 5,587 | 1,032,554 |
| Current assets | | | |
| Inventories | 8,809 | - | 8,809 |
| Trade and other receivables, prepayments and deposits | 23,938 | - | 23,938 |
| Tax recoverable | 1,765 | - | 1,765 |
| Cash and cash equivalents | 21,655 | - | 21,655 |
| | 56,167 | - | 56,167 |
| Total assets | 1,083,134 | 5,587 | 1,088,721 |
| EQUITY | | | |
| Capital and reserves | | | |
| Share capital | 440,000 | - | 440,000 |
| Share premium | 104,501 | - | 104,501 |
| Retained earnings | 278,197 | 11,929 | 290,126 |
| Total equity attributable to shareholders of the Company | 822,698 | 11,929 | 834,627 |
| Minority interests | 82,530 | 325 | 82,855 |
| Total equity | 905,228 | 12,254 | 917,482 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Long-term borrowings | 5,306 | - | 5,306 |
| Retirement benefits | 13,404 | - | 13,404 |
| Deferred tax liabilities | 18,664 | (6,667) | 11,997 |
| | 37,374 | (6,667) | 30,707 |
| Current liabilities | | | |
| Trade and other payables and accruals | 75,887 | - | 75,887 |
| Short-term borrowings | 63,892 | - | 63,892 |
| Current tax liabilities | 753 | - | 753 |
| | 140,532 | - | 140,532 |
| Total liabilities | 177,906 | (6,667) | 171,239 |
| Total equity and liabilities | 1,083,134 | 5,587 | 1,088,721 |

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

NOTES PURSUANT TO MFRS 134

A1.1 Significant Accounting Policies and Application of MFRS 1 (cont'd)

Reconciliation of Consolidated Income Statement for the 1st Quarter Ended 31 March 2011

| | Under FRS Framework RM'000 | Effect of Transition to MFRS (MFRS 112) RM'000 | Under MFRS Framework RM'000 |
|---|----------------------------------|--|-----------------------------------|
| Revenue | 112,643 | - | 112,643 |
| Operating profit before exceptional item | 27,906 | - | 27,906 |
| Exceptional item | - | - | - |
| Operating profit after exceptional item | 27,906 | - | 27,906 |
| Interest expense | (938) | - | (938) |
| Interest income | 92 | - | 92 |
| Share of results of an associated company | 390 | - | 390 |
| Profit before tax | 27,450 | - | 27,450 |
| Tax expense | (4,234) | (2,300) | (6,534) |
| Profit for the period | 23,216 | (2,300) | 20,916 |
| <u>Attributable to:</u> | | | |
| Shareholders of the Company | 20,564 | (1,876) | 18,688 |
| Minority interests | 2,652 | (424) | 2,228 |
| | 23,216 | (2,300) | 20,916 |
| Basic Earnings per Share (sen) | 4.67 | (0.42) | 4.25 |

Reconciliation of Consolidated Statement of Comprehensive Income for the 1st Quarter Ended 31 March 2011

| | Under FRS Framework RM'000 | Effect of Transition to MFRS (MFRS 112) RM'000 | Under MFRS Framework RM'000 |
|---|----------------------------------|--|-----------------------------------|
| Profit for the period | 23,216 | (2,300) | 20,916 |
| Other comprehensive income/(expense) for the period | - | - | - |
| Total comprehensive income for the period | 23,216 | (2,300) | 20,916 |
| <u>Attributable to:</u> | | | |
| Shareholders of the Company | 20,564 | (1,876) | 18,688 |
| Minority interests | 2,652 | (424) | 2,228 |
| | 23,216 | (2,300) | 20,916 |

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

NOTES PURSUANT TO MFRS 134

A1.1 Significant Accounting Policies and Application of MFRS 1 (cont'd)

Reconciliation of Consolidated Income Statement for the Year Ended 31 December 2011

| | Under FRS Framework RM'000 | Effect of Transition to MFRS (MFRS 112) RM'000 | Under MFRS Framework RM'000 |
|---|----------------------------------|--|-----------------------------------|
| Revenue | 429,731 | - | 429,731 |
| Operating profit before exceptional item | 82,890 | - | 82,890 |
| Exceptional item | - | - | - |
| Operating profit after exceptional item | 82,890 | - | 82,890 |
| Interest expense | (3,018) | - | (3,018) |
| Interest income | 408 | - | 408 |
| Share of results of an associated company | 558 | - | 558 |
| Profit before tax | 80,838 | - | 80,838 |
| Tax expense | (15,514) | (5,793) | (21,307) |
| Profit for the year | 65,324 | (5,793) | 59,531 |
| <u>Attributable to:</u> | | | |
| Shareholders of the Company | 60,564 | (4,796) | 55,768 |
| Minority interests | 4,760 | (997) | 3,763 |
| | 65,324 | (5,793) | 59,531 |
| Basic Earnings per Share (sen) | 13.76 | (1.09) | 12.67 |

Reconciliation of Consolidated Statement of Comprehensive Income for Year Ended 31 December 2011

| | Under FRS Framework RM'000 | Effect of Transition to MFRS (MFRS 112) RM'000 | Under MFRS Framework RM'000 |
|---|----------------------------------|--|-----------------------------------|
| Profit for the year | 65,324 | (5,793) | 59,531 |
| Other comprehensive income/(expense) for the year | - | - | - |
| Total comprehensive income for the year | 65,324 | (5,793) | 59,531 |
| <u>Attributable to:</u> | | | |
| Shareholders of the Company | 60,564 | (4,796) | 55,768 |
| Minority interests | 4,760 | (997) | 3,763 |
| | 65,324 | (5,793) | 59,531 |

A1.2 Cash Flows

There are no differences between the statement of cash flows presented under MFRS and the statement of cash flows presented under FRS.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

NOTES PURSUANT TO MFRS 134

A1.3 Not Adopted by the Group

The following MFRS and amendments to MFRS issued by the MASB that are relevant have not yet been adopted by the Group. These MFRS and amendments are effective for annual periods beginning on or after 1 July 2012 unless otherwise stated:-

| | | Effective for annual periods beginning on or after |
|------------------------|--|--|
| MFRS 9 | Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010) | 1 January 2015 |
| MFRS 10 | Consolidated Financial Statements | 1 January 2013 |
| MFRS 13 | Fair Value Measurement | 1 January 2013 |
| MFRS 119 | Employee Benefits (IAS 19 as amended by IASB in June 2011) | 1 January 2013 |
| MFRS 127 | Separate Financial Statements (IAS 27 as amended by IASB in May 2011) | 1 January 2013 |
| MFRS 128 | Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011) | 1 January 2013 |
| Amendments to MFRS 7 | Disclosures – Offsetting Financial Assets and Financial Liabilities | 1 January 2013 |
| Amendments to MFRS 101 | Presentation of Items of Other Comprehensive Income | 1 July 2012 |

The adoption of the above MFRS and amendments to MFRS are not expected to have a material impact on the 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 period ended 31 March 2012.

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 2012.

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 2012.

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 2012.

A6 Dividends paid

There was no dividend paid during the financial period ended 31 March 2012.

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

NOTES PURSUANT TO MFRS 134

A7 Segmental Reporting

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

| For the quarter ended 31 March 2012 (All figures in RM'000) | Hotels & Resorts | Investment Properties | Others | Inter-segment Elimination | Consolidated Total |
|--|------------------|-----------------------|--------|---------------------------|--------------------|
| Segment Revenue | | | | | |
| Revenue from external customers | 103,560 | 4,900 | 667 | - | 109,127 |
| Inter-segment revenue | - | 487 | 852 | (1,339) | - |
| Total revenue | 103,560 | 5,387 | 1,519 | (1,339) | 109,127 |
| Segment Results | | | | | |
| Operating profit | 21,831 | 3,022 | 3,531 | (3,510) | 24,874 |
| Interest expense | (912) | - | (60) | 399 | (573) |
| Interest income | 361 | 83 | 27 | (399) | 72 |
| Share of results of an associated company | 710 | - | - | - | 710 |
| Profit before tax | 21,990 | 3,105 | 3,498 | (3,510) | 25,083 |

| As at 31 March 2012 (All figures in RM'000) | Hotels & Resorts | Investment Properties | Others | Inter-segment Elimination | Consolidated Total |
|--|------------------|-----------------------|--------|---------------------------|--------------------|
| Segment assets | 924,858 | 258,508 | 15,175 | (131,589) | 1,066,952 |
| Interest in associates | 17,433 | - | - | - | 17,433 |
| Total assets | 942,291 | 258,508 | 15,175 | (131,589) | 1,084,385 |

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 2012 and the date of this report that would materially affect the results of the Group for the financial period ended 31 March 2012.

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 2012.

A10 Changes in Contingent Liabilities or Contingent Assets

In March 2012, the Company has issued a corporate guarantee to Malayan Banking Berhad for an amount up to USD8.0 million in respect of a Short Term Revolving Credit facility of USD8.0 million granted to Madarac Corporation, 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 March 2012 are as follows:-

| | |
|-----------------------------------|--------|
| | RM'000 |
| Authorised and contracted for | 28,366 |
| Authorised but not contracted for | 32,371 |
| | 60,737 |

A12 Related Party Transactions

3 months ended 31.3.2012

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

3,347

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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

B1 Review of Group Results 1st Quarter 2012 vs 1st Quarter 2011

Group revenue for the first quarter to 31 March 2012 was RM109.127 million, a decrease of 3% compared with RM112.643 million in the corresponding quarter ended 31 March 2011. The Group's profit before tax for the period declined by 9% to RM25.083 million from RM27.450 million in the first quarter 2011. Group profit attributable to shareholders for the first quarter 2012 of RM18.406 million was 2% below that of RM18.688 million the previous year.

The Group's overall financial performance for the first quarter 2012 mainly reflected the sharply lower operating results from Rasa Ria Resort, impacted by the continuation of a phased renovation programme for its Garden Wing guestrooms, which began in March 2011. This was, however partially mitigated by the stronger performances from Shangri-La Hotel Kuala Lumpur and Golden Sands Resort.

Shangri-La Hotel Kuala Lumpur grew well during the period, with revenue up by 17% to RM45.080 million, supported by good business volumes in both rooms and food and beverage operations. The hotel ended the first quarter 2012 with a pre-tax profit of RM11.359 million, 63% above that of RM6.977 million for the same quarter in 2011. The hotel's occupancy was 73%, up from 69% the previous year.

An increase in leisure demand enabled Golden Sands Resort to achieve a higher occupancy of 65% against 59% in the first quarter 2011, with revenue growing by 8% to RM13.039 million. The resort made a pre-tax profit of RM3.560 million, a growth of 26% from RM2.834 million in the first three months of 2011.

Revenue from Rasa Sayang Resort in the period of RM20.045 million was marginally ahead of the first quarter last year, with a rise in rooms revenue largely offset by reduced food and beverage sales. However, the resort's operating profit rose by 10% to RM5.878 million from RM5.343 million in 2011 because of lower operating expenses, coupled with a reduced depreciation charge. The resort's occupancy edged up to 65% in the first quarter 2012 from 64% the previous year.

At Traders Hotel Penang, occupancy dropped from 89% in the first three months of 2011 to 76% in response to lower corporate demand. The hotel's revenue declined by 7% to RM8.775 million, with pre-tax profit down from RM2.142 million in the prior first quarter to RM1.475 million.

Rasa Ria Resort saw revenue fall by 40% over the first quarter 2011 to RM15.554 million, as business levels were affected negatively by the ongoing major renovations to all its guestrooms in the Garden Wing. This led to a 94% decline in the pre-tax profit to RM0.472 million from RM8.104 million in the first three months of 2011. Occupancy of the resort for the period fell from 76% to 46%.

The combined total rental revenue from the investment properties of the Group for the first quarter 2012 increased by 5% to RM5.387 million, whilst their pre-tax profit grew to RM3.105 million from RM3.014 million the previous year. These increases were contributed mainly by UBN Tower, as a result of higher occupancy rates.

In the first quarter ended 31 March 2012, the Group's share of profit from Traders Hotel Yangon, its 23.53% associate hotel in Myanmar increased to RM0.710 million from RM0.390 million for the comparable three months in 2011.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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

B2 Comparison of Group Results 1st Quarter 2012 vs 4th Quarter 2011

For the first quarter ended 31 March 2012, the Group recorded a 5% increase in revenue to RM109.127 million from RM104.422 million in the fourth quarter ended 31 December 2011. Group profit before tax for the first quarter 2012 was up by 61% to RM25.083 million compared with RM15.618 million in the fourth quarter 2011.

The improvement in the Group's results was due to the better operating performances from Rasa Ria Resort and Rasa Sayang Resort.

Rasa Ria Resort posted a 41% growth in revenue over the fourth quarter 2011 to RM15.554 million, as more rooms became available for sale with the progressive completion of the final phase of its Garden Wing renovation programme. Consequently, the resort achieved a pre-tax profit of RM0.472 million compared with a loss of RM4.297 million for the three-month period to December 2011. At Rasa Sayang Resort, revenue grew by 7% to RM20.045 million on the back of a higher occupancy level of 65%, with operating profit up 61% on the fourth quarter 2011 to RM5.878 million. Shangri-La Hotel Kuala Lumpur also saw revenue and profit improve against the last quarter of 2011, as a result of both occupancy and average room rate increases.

Revenues from Golden Sands Resort and Traders Hotel Penang were down on the 2011 fourth quarter, reflecting weaker occupancy levels and lower food and beverage business. Occupancy for Golden Sands Resort during the first quarter 2012 slipped to 65% from 70% in the fourth quarter 2011, whilst occupancy at Traders Hotel Penang dropped from 86% to 76%.

The combined rental revenue from the Group's investment properties in Kuala Lumpur for the three months to 31 March 2012 decreased slightly to RM5.387 million from RM5.429 million in the fourth quarter last year.

B3 Prospects for 2012

Despite the uncertain economic outlook, the Group's hotels and resorts should continue to do reasonably well as they are in a strong position to take advantage of the encouraging rebound in both business and leisure travel. However, the recovery in demand from their key long haul travel markets in Europe, in particular the UK is still sluggish.

The final phase of the major renovation programme for all the Garden Wing guestrooms at Rasa Ria Resort is scheduled for completion by end-May 2012. When fully completed, the enhanced room product and facilities will position the resort well to compete strongly in the marketplace.

Overall demand trends in the prime office rental market are expected to stay fairly stable, and this should help UBN Tower to see better occupancy levels, although the outlook for UBN Apartments remains challenging in a weak market environment.

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012**

**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 | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31.3.2012 RM'000 | 31.3.2011 RM'000 | 31.3.2012 RM'000 | 31.3.2011 RM'000 |
| Current taxation | | | | |
| - Company and subsidiaries | 4,488 | 4,218 | 4,488 | 4,218 |
| Deferred taxation | 1,748 | 2,316 # | 1,748 | 2,316 # |
| Over provision in respect of prior years | | | | |
| - Company and subsidiaries | (28) | - | (28) | - |
| | 6,208 | 6,534 # | 6,208 | 6,534 # |

Comparative figures have been adjusted due to the retrospective application of MFRS 112 – Income Taxes, which is effective from 1 January 2012. Please refer to note A1.1 for more details.

The effective tax rate on the Group's profit before tax for the first quarter ended 31 March 2012 was 24.7%, broadly in line with the statutory tax rate of 25%.

B6 Status of Corporate Proposals

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

B7 Group Borrowings and Debt Securities

The Group borrowings as at 31 March 2012 comprise the following:-

| | Short Term RM'000 | Long Term RM'000 | Total RM'000 |
|-----------|----------------------|---------------------|-----------------|
| Secured | - | - | - |
| Unsecured | 57,771* | 5,306 | 63,077 |
| | 57,771* | 5,306 | 63,077 |

* Amounts drawdown include HKD50.600 million from an offshore bank in Labuan.

There were no debt securities in the financial period ended 31 March 2012.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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

B8 **Financial Instruments**

Derivatives

There were no outstanding derivative financial instruments as at 31 March 2012.

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 2012.

B9 **Changes in Material Litigation**

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

B10 **Dividend**

No interim dividend has been declared for the financial period ended 31 March 2012.

B11 **Earnings per Share**

The basic earnings per ordinary share for the three (3) months ended 31 March 2012 has been calculated as follows:-

| | 3 months ended | | 3 months ended | |
|---|----------------|-----------|----------------|-----------|
| | 31.3.2012 | 31.3.2011 | 31.3.2012 | 31.3.2011 |
| Profit attributable to shareholders of the Company (RM'000) | 18,406 | 18,688 # | 18,406 | 18,688 # |
| No. of ordinary shares in issue ('000) | 440,000 | 440,000 | 440,000 | 440,000 |
| Basic Earnings Per Share (sen) | 4.18 | 4.25 # | 4.18 | 4.25 # |

Comparative figures have been adjusted due to the retrospective application of MFRS 112 – Income Taxes, which is effective from 1 January 2012. Please refer to note A1.1 for more details.

Diluted Earnings per Share

Not applicable.

B12 **Realised and Unrealised Profits/Losses**

| | As at 31.3.2012 RM'000 | As at 31.12.2011 RM'000 |
|--|------------------------------|-------------------------------|
| Total retained profits of the Company and its subsidiaries | | |
| - Realised | 239,881 | 213,831 |
| - Unrealised | 66,819 | 71,194 # |
| | 306,700 | 285,025 # |
| Total share of accumulated losses in an associated company | | |
| - Realised | (52,799) | (53,509) |
| - Unrealised | - | - |
| | 253,901 | 231,516 # |
| Add : Consolidated adjustments | 54,631 | 58,610 # |
| Total Group retained profits | 308,532 | 290,126 # |

Comparative figures have been adjusted due to the retrospective application of MFRS 112 – Income Taxes, which is effective from 1 January 2012. Please refer to note A1.1 for more details.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2012

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

B13 Notes to the Statement of Comprehensive Income

| | 3 months ended | | 3 months ended | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31.3.2012 RM'000 | 31.3.2011 RM'000 | 31.3.2012 RM'000 | 31.3.2011 RM'000 |
| Net profit for the period/year is arrived at after charging:- | | | | |
| Interest expense | (573) | (938) | (573) | (938) |
| Depreciation | (12,511) | (12,414) | (12,511) | (12,414) |
| Foreign exchange loss | (2,627) | (1,492) | (2,627) | (1,492) |
| Allowance for doubtful debts on trade receivables | - | (43) | - | (43) |
| and after crediting:- | | | | |
| Interest income | 72 | 92 | 72 | 92 |
| Write back of allowance for doubtful debts | | | | |
| - loans to associates | 3,290 | 1,791 | 3,290 | 1,791 |
| - trade receivables | 34 | - | 34 | - |

Other than the above which have been included in the statement of comprehensive income, there were no impairment of assets, gain or loss on disposal of quoted or unquoted investments or properties and exceptional items for the financial period ended 31 March 2012.

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 2011.

By Order of the Board
Datin Rozina Mohd Amin
Company Secretary

Kuala Lumpur
18 May 2012