

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2012**

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	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	114,630	101,668	223,757	214,311
Operating profit before exceptional item	24,901	17,904	49,775	45,810
Exceptional item	-	-	-	-
Operating profit after exceptional item	24,901	17,904	49,775	45,810
Interest expense	(460)	(767)	(1,033)	(1,705)
Interest income	91	141	163	233
Share of results of an associated company	295	36	1,005	426
Profit before tax	24,827	17,314	49,910	44,764
Tax expense	(6,602)	(5,065) #	(12,810)	(11,599) #
Profit for the period	18,225	12,249 #	37,100	33,165 #
<u>Attributable to:</u>				
Shareholders of the Company	17,185	11,153 #	35,591	29,841 #
Minority interests	1,040	1,096 #	1,509	3,324 #
	18,225	12,249 #	37,100	33,165 #
Basic Earnings per Ordinary Share (sen)	3.91	2.53 #	8.09	6.78 #
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
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		6 months ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	18,225	12,249 #	37,100	33,165 #
Other comprehensive income/(expense) for the period	-	-	-	-
Total comprehensive income for the period	18,225	12,249 #	37,100	33,165 #
<u>Attributable to:</u>				
Shareholders of the Company	17,185	11,153 #	35,591	29,841 #
Minority interests	1,040	1,096 #	1,509	3,324 #
	18,225	12,249 #	37,100	33,165 #

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 SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2012**

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	As at 30.6.2012 RM'000	As at 31.12.2011 RM'000	As at 1.1.2011 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	734,740	731,059	745,351
Investment properties	266,899	266,899	266,846
Interest in associates	29,735	16,723	10,291
Property development expenditure	12,286	12,286	12,240
Deferred tax assets	4,355	5,587 #	9,761 #
	<u>1,048,015</u>	<u>1,032,554 #</u>	<u>1,044,489 #</u>
Current assets			
Inventories	8,526	8,809	8,754
Trade and other receivables, prepayments and deposits	30,692	23,938	24,796
Tax recoverable	1,438	1,765	3,246
Cash and cash equivalents	17,842	21,655	17,200
	<u>58,498</u>	<u>56,167</u>	<u>53,996</u>
Total assets	<u>1,106,513</u>	<u>1,088,721 #</u>	<u>1,098,485 #</u>
EQUITY			
Capital and reserves			
Share capital	440,000	440,000	440,000
Reserves	410,418	394,627 #	368,559 #
Total equity attributable to shareholders of the Company	<u>850,418</u>	<u>834,627 #</u>	<u>808,559 #</u>
Minority interests	84,364	82,855 #	79,932 #
Total equity	<u>934,782</u>	<u>917,482 #</u>	<u>888,491 #</u>
LIABILITIES			
Non-current liabilities			
Long-term borrowings	-	5,306	46,258
Retirement benefits	13,680	13,404	12,878
Deferred tax liabilities	14,939	11,997 #	8,559 #
	<u>28,619</u>	<u>30,707 #</u>	<u>67,695 #</u>
Current liabilities			
Trade and other payables and accruals	62,957	75,887	81,414
Short-term borrowings	79,851	63,892	59,952
Current tax liabilities	304	753	933
	<u>143,112</u>	<u>140,532</u>	<u>142,299</u>
Total liabilities	<u>171,731</u>	<u>171,239 #</u>	<u>209,994 #</u>
Total equity and liabilities	<u>1,106,513</u>	<u>1,088,721 #</u>	<u>1,098,485 #</u>
Net Assets per Ordinary Share (RM)	1.93	1.90 #	1.84 #
Attributable to Shareholders of the Company			

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 SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2012**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2012

<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 2011	440,000	104,501	264,058 #	808,559 #	79,932 #	888,491 #
Net profit for the period	-	-	29,841 #	29,841 #	3,324 #	33,165 #
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	29,841 #	29,841 #	3,324 #	33,165 #
Dividends paid						
- Final dividend for the financial year ended 31.12.2010 paid on 30.6.2011	-	-	(19,800)	(19,800)	-	(19,800)
Balance at 30 June 2011	440,000	104,501	274,099 #	818,600 #	83,256 #	901,856 #
Balance at 1 January 2012	440,000	104,501	290,126 #	834,627 #	82,855 #	917,482 #
Net profit for the period	-	-	35,591	35,591	1,509	37,100
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	35,591	35,591	1,509	37,100
Dividends						
- Final dividend for the financial year ended 31.12.2011 paid on 28.6.2012	-	-	(19,800)	(19,800)	-	(19,800)
Balance at 30 June 2012	440,000	104,501	305,917	850,418	84,364	934,782

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
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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the 6 months ended 30 June 2012

	30.6.2012 RM'000	30.6.2011 RM'000
Profit before tax	49,910	44,764
Adjustments for non-cash flow:-		
Non-cash items	26,261	26,109
Non-operating items	870	1,472
Operating profit before changes in working capital	77,041	72,345
Changes in working capital		
Net change in current assets	(6,471)	(1,550)
Net change in current liabilities	(12,090)	(9,740)
Cash generated from operations	58,480	61,055
Income taxes paid	(8,758)	(6,948)
Retirement benefits paid	(589)	(462)
Net cash inflow from operating activities	49,133	53,645
Investing activities		
Interest income received	163	233
Purchase of property, plant and equipment	(29,684)	(14,906)
Expenditure on property development	-	(9)
Net cash outflow from investing activities	(29,521)	(14,682)
Financing activities		
Dividends paid to shareholders of the Company	(19,800)	(19,800)
Dividend paid to minority shareholder of a subsidiary	(840)	-
Drawdown / (Repayment) of loans	10,255	(20,706)
Interest expense paid	(1,033)	(1,705)
Drawdown of loans to associates	(12,007)	-
Net cash outflow from financing activities	(23,425)	(42,211)
Net decrease in cash & cash equivalents	(3,813)	(3,248)
Cash & cash equivalents at beginning of the year	21,655	17,200
Cash & cash equivalents at end of financial period	17,842	13,952
Cash and cash equivalents at end of financial period	17,482	13,952
Bank overdraft at end of financial period	-	-
Cash & cash equivalents in the consolidated balance sheet	17,482	13,952

(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
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(Incorporated in Malaysia)

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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 second quarter and half year ended 30 June 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 30.6.2011 RM'000	As at 31.12.2011 RM'000
Increase in deferred tax assets	9,761	6,525	5,587
Increase in total assets	9,761	6,525	5,587
Increase in retained earnings	16,725	14,241	11,929
Increase in total equity attributable to shareholders of the Company	16,725	14,241	11,929
Increase in minority interests	1,322	737	325
Increase in total equity	18,047	14,978	12,254
Decrease in deferred tax liabilities	(8,286)	(8,453)	(6,667)
Increase in total equity and liabilities	9,761	6,525	5,587

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NOTES PURSUANT TO MFRS 134

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

Income Statement	2nd Quarter ended 30.6.2011 RM'000	6 months ended 30.6.2011 RM'000	Year ended 31.12.2011 RM'000
Increase in tax expense	769	3,069	5,793
Decrease in profit for the period/year	(769)	(3,069)	(5,793)
<u>Decrease in profit attributable to:</u>			
Shareholders of the Company	(608)	(2,484)	(4,796)
Minority interests	(161)	(585)	(997)

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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

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NOTES PURSUANT TO MFRS 134

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

Reconciliation of Consolidated Balance Sheet as at 30 June 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	734,255	-	734,255
Investment properties	266,846	-	266,846
Interest in associates	10,717	-	10,717
Property development expenditure	12,249	-	12,249
Deferred tax assets	-	6,525	6,525
	1,024,067	6,525	1,030,592
Current assets			
Inventories	8,754	-	8,754
Trade and other receivables, prepayments and deposits	26,346	-	26,346
Tax recoverable	3,450	-	3,450
Cash and cash equivalents	13,952	-	13,952
	52,502	-	52,502
Total assets	1,076,569	6,525	1,083,094
EQUITY			
Capital and reserves			
Share capital	440,000	-	440,000
Share premium	104,501	-	104,501
Retained earnings	259,858	14,241	274,099
Total equity attributable to shareholders of the Company	804,359	14,241	818,600
Minority interests	82,519	737	83,256
Total equity	886,878	14,978	901,856
LIABILITIES			
Non-current liabilities			
Long-term borrowings	21,982	-	21,982
Retirement benefits	13,272	-	13,272
Deferred tax liabilities	17,397	(8,453)	8,944
	52,651	(8,453)	44,198
Current liabilities			
Trade and other payables and accruals	71,674	-	71,674
Short-term borrowings	63,199	-	63,199
Current tax liabilities	2,167	-	2,167
	137,040	-	137,040
Total liabilities	189,691	(8,453)	181,238
Total equity and liabilities	1,076,569	6,525	1,083,094

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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

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NOTES PURSUANT TO MFRS 134

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

Reconciliation of Consolidated Income Statement for the 2nd Quarter Ended 30 June 2011

	Under FRS Framework RM'000	Effect of Transition to MFRS (MFRS 112) RM'000	Under MFRS Framework RM'000
Revenue	101,668	-	101,668
Operating profit before exceptional item	17,904	-	17,904
Exceptional item	-	-	-
Operating profit after exceptional item	17,904	-	17,904
Interest expense	(767)	-	(767)
Interest income	141	-	141
Share of results of an associated company	36	-	36
Profit before tax	17,314	-	17,314
Tax expense	(4,296)	(769)	(5,065)
Profit for the period	13,018	(769)	12,249
<u>Attributable to:</u>			
Shareholders of the Company	11,761	(608)	11,153
Minority interests	1,257	(161)	1,096
	13,018	(769)	12,249
Basic Earnings per Share (sen)	2.67	(0.14)	2.53

Reconciliation of Consolidated Statement of Comprehensive Income for the 2nd Quarter Ended 30 June 2011

	Under FRS Framework RM'000	Effect of Transition to MFRS (MFRS 112) RM'000	Under MFRS Framework RM'000
Profit for the period	13,018	(769)	12,249
Other comprehensive income/(expense) for the period	-	-	-
Total comprehensive income for the period	13,018	(769)	12,249
<u>Attributable to:</u>			
Shareholders of the Company	11,761	(608)	11,153
Minority interests	1,257	(161)	1,096
	13,018	(769)	12,249

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NOTES PURSUANT TO MFRS 134

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

Reconciliation of Consolidated Income Statement for the Half Year Ended 30 June 2011

	Under FRS Framework RM'000	Effect of Transition to MFRS (MFRS 112) RM'000	Under MFRS Framework RM'000
Revenue	214,311	-	214,311
Operating profit before exceptional item	45,810	-	45,810
Exceptional item	-	-	-
Operating profit after exceptional item	45,810	-	45,810
Interest expense	(1,705)	-	(1,705)
Interest income	233	-	233
Share of results of an associated company	426	-	426
Profit before tax	44,764	-	44,764
Tax expense	(8,530)	(3,069)	(11,599)
Profit for the period	36,234	(3,069)	33,165
<u>Attributable to:</u>			
Shareholders of the Company	32,325	(2,484)	29,841
Minority interests	3,909	(585)	3,324
	36,234	(3,069)	33,165
Basic Earnings per Share (sen)	7.35	(0.57)	6.78

Reconciliation of Consolidated Statement of Comprehensive Income for the Half Year Ended 30 June 2011

	Under FRS Framework RM'000	Effect of Transition to MFRS (MFRS 112) RM'000	Under MFRS Framework RM'000
Profit for the period	36,234	(3,069)	33,165
Other comprehensive income/(expense) for the period	-	-	-
Total comprehensive income for the period	36,234	(3,069)	33,165
<u>Attributable to:</u>			
Shareholders of the Company	32,325	(2,484)	29,841
Minority interests	3,909	(585)	3,324
	36,234	(3,069)	33,165

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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.

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FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 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 12	Disclosure of Interests in Other Entities	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 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2013
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 10	Consolidated Financial Statements : Transition Guidance	1 January 2013
Amendments to MFRS 12	Disclosure of Interests in Other Entities : Transition Guidance	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2013
Amendments to MFRS 116	Property, Plant and Equipment	1 January 2013
Amendments to MFRS 132	Financial Instruments: Presentation	1 January 2013
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 134	Interim Financial Reporting	1 January 2013

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 30 June 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 30 June 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 second quarter ended 30 June 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 30 June 2012.

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A6 Dividends paid

A final dividend of 6% or 6 sen per share less tax at 25% for the financial year ended 31 December 2011 amounting to RM19.800 million was paid on 28 June 2012. 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 2011 was paid on 23 November 2011.

A7 Segmental Reporting

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

For the period ended 30 June 2012 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
<u>Segment Revenue</u>					
Revenue from external customers	212,352	10,102	1,303	-	223,757
Inter-segment revenue	-	975	1,776	(2,751)	-
Total revenue	212,352	11,077	3,079	(2,751)	223,757
<u>Segment Results</u>					
Operating profit	45,188	6,118	(267)	(1,264)	49,775
Interest expense	(1,591)	-	(154)	712	(1,033)
Interest income	649	171	55	(712)	163
Share of results of an associated company	1,005	-	-	-	1,005
Profit before tax	45,251	6,289	(366)	(1,264)	49,910

As at 30 June 2012 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets	916,366	258,707	15,558	(113,853)	1,076,778
Interest in associates	29,735	-	-	-	29,735
Total assets	946,101	258,707	15,558	(113,853)	1,106,513

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 2012 and the date of this report that would materially affect the results of the Group for the financial period ended 30 June 2012.

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 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 30 June 2012 are as follows:-

	RM'000
Authorised and contracted for	21,166
Authorised but not contracted for	15,167
	<u>36,333</u>

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NOTES PURSUANT TO MFRS 134

A12	Related Party Transactions	6 months ended 30.6.2012 RM'000
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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	6,972
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Transactions with corporations in which Mdm Kuok Oon Kwong, a Director of the Company, has direct or indirect financial interests

Office rental income received from Kuok Brothers Sdn Bhd, PPB Group Berhad, PPB Oil Palms Berhad, PGEO Marketing Sdn Bhd and Chemquest Sdn Bhd	183
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Transactions with associates of the Group

Additional loans granted by Madarac Corporation, the Group's wholly-owned subsidiary incorporated in the British Virgin Islands to its associated companies in Myanmar	12,007
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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 2012 vs 1st Half 2011

For the first six months ended 30 June 2012, Group revenue increased by 4% to RM223.757 million from RM214.311 million in the corresponding period ended 30 June 2011. The Group's profit before tax for the six months was RM49.910 million, up 11% compared with RM44.764 million in 2011. Group profit attributable to shareholders for the period of RM35.591 million was 19% above that of RM29.841 million the previous year.

The Group's half year 2012 financial performance was mainly driven by a strong improvement in the operating results of Shangri-La Hotel Kuala Lumpur, coupled with the better performances from Rasa Sayang Resort and Golden Sands Resort. This more than offset the significantly lower results from Rasa Ria Resort due to major renovations to all its Garden Wing guestrooms through most of the first half 2012.

In the period, Shangri-La Hotel Kuala Lumpur posted revenue growth of 21% to RM94.489 million, bolstered by stronger business levels in both rooms and food and beverage operations. For the first six months of 2012, the hotel recorded a pre-tax profit of RM25.836 million, 81% more than RM14.290 million in the same period of 2011. The hotel had a higher occupancy of 75% compared with 70% the previous year.

Revenue for Rasa Sayang Resort for the half year 2012 improved by 4% to RM36.379 million, benefiting from a healthy pick-up in leisure demand from its key markets. The resort's operating profit for the first half 2012 was RM8.325 million, a rise of 14% from RM7.326 million in the same period last year. Room occupancy at the resort was 63%, up from 59% in 2011.

Golden Sands Resort also delivered a good overall result, with revenue up by 6% to RM25.248 million on the back of higher leisure demand. Occupancy for the resort grew from 63% in first half 2011 to 68%. The resort made a pre-tax profit of RM6.272 million, a growth of 19% against RM5.278 million for the first six months of 2011.

At Traders Hotel Penang, lower corporate business resulted in a 3% decrease in revenue over the first half 2011 to RM18.295 million, with occupancy down from 87% to 81% in the first half 2012. The hotel's pre-tax profit consequently declined to RM3.219 million from RM3.995 million in 2011.

Business levels at Rasa Ria Resort were negatively impacted by the renovation work to all its guestrooms in the Garden Wing. During the first half 2012, the resort saw a 21% reduction in revenue to RM35.817 million, with pre-tax profit falling by 68% from RM11.416 million in the first six months of 2011 to RM3.621 million. Occupancy at the resort fell from 67% to 51%.

The Group's investment properties in Kuala Lumpur achieved an 8% increase in total rental revenue to RM11.077 million for the first half 2012, and their pre-tax profit rose to RM6.289 million from RM5.806 million in the first half last year. The growth in results was attributed to higher occupancy and rental rates at UBN Tower.

In the half year to 30 June 2012, the Group's share of profit from Traders Hotel Yangon, its 23.53% associate hotel in Myanmar increased to RM1.005 million from RM0.426 million for the comparable six months in 2011.

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APPENDIX 9B

B2 Comparison of Group Results 2nd Quarter 2012 vs 1st Quarter 2012

Group revenue for the second quarter ended 30 June 2012 rose by 5% to RM114.630 million from RM109.127 million in the first quarter to 31 March 2012, mostly contributed by higher revenues from Shangri-La Hotel Kuala Lumpur and Rasa Ria Resort.

Despite this, the Group's profit before tax for the second quarter of RM24.827 million was slightly below that of RM25.083 million in the first quarter 2012, largely reflecting weaker profit contributions from Rasa Sayang Resort and Golden Sands Resort as a result of lower occupancy and average room rates.

In the second quarter, Shangri-La Hotel Kuala Lumpur produced a 10% rise in revenue to RM49.409 million, supported by a higher occupancy of 77% versus 73% in the first three months of 2012. At Rasa Ria Resort, revenue increased by 30% over the first quarter 2012 to RM20.263 million as more rooms became available for sale with the progressive completion of the final phase of its Garden Wing renovation programme. Traders Hotel Penang also showed an 8% improvement in revenue to RM9.520 million, with healthy growth in occupancy level from 76% in the 2012 first quarter to 86%.

In line with reduced leisure demand, Rasa Sayang Resort registered a decline of 19% in revenue to RM16.334 million when compared to the first quarter 2012. In addition, Golden Sands Resort saw a 6% drop in revenue to RM12.209 million mainly because of lower average room rates.

The combined rental revenue from the Group's investment properties in Kuala Lumpur for the three months to 30 June 2012 improved by 6% to RM5.690 million from RM5.387 million in the first quarter ended 31 March 2012.

B3 Prospects for 2012

While there is ongoing economic uncertainty, the overall outlook for the Group's hotel business for the second half of 2012 appears reasonably healthy. The Group's hotels and resorts should be able to deliver some further progress in pace with the continuing encouraging growth in both the business and leisure travel markets.

Specifically, Rasa Ria Resort is expected to show better occupancy levels with the completion of the second and final phase of the major renovation programme for all its Garden Wing guestrooms at the end of May 2012. The upgraded guestrooms and facilities have greatly enhanced the resort's market position, and will provide it with a good platform for future growth.

Trading conditions in the prime office rental market are expected to stay largely stable through the course of the year, and this should provide UBN Tower with further opportunities for growth, although UBN Apartments will continue to face a challenging market environment.

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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	
	30.6.2012 RM'000	30.6.2011 RM'000	30.6.2012 RM'000	30.6.2011 RM'000
Current taxation				
- Company and subsidiaries	4,124	3,783	8,612	8,001
Deferred taxation	2,426	1,305 #	4,174	3,621#
Under / (Over) provision in respect of prior years				
- Company and subsidiaries	52	(23)	24	(23)
	6,602	5,065 #	12,810	11,599 #

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 Group's effective tax rate on profit before tax for the first half ended 30 June 2012 at 26% was higher compared with the statutory tax rate of 25% because the net losses incurred by certain subsidiaries of the Group cannot be offset against the taxable profits of other Group subsidiaries.

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 30 June 2012 comprise the following:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	-	-	-
Unsecured	79,851*	-	79,851
	79,851*	-	79,851

* Amounts drawdown include HKD50.600 million from an offshore bank in Labuan and USD3.870 million from a local bank.

There were no debt securities in the financial period ended 30 June 2012.

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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 30 June 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 30 June 2012.

B9 Changes in Material Litigation

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

B10 Dividend

The Board has declared an interim single tier dividend of 3 sen or 3% per ordinary share in respect of the financial year ending 31 December 2012 (2011 interim dividend: 3 sen or 3% per ordinary share less tax at 25%). The interim dividend is payable on Wednesday, 14 November 2012.

NOTICE IS HEREBY GIVEN that the interim dividend will be paid to shareholders whose names appear in the Record of Depositors on Tuesday, 23 October 2012.

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 Tuesday, 23 October 2012 in respect of transfers.
- (ii) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

B11 Earnings per Share

The basic earnings per ordinary share for the six (6) months ended 30 June 2012 has been calculated as follows:-

	3 months ended		6 months ended	
	30.6.2012	30.6.2011	30.6.2012	30.6.2011
Profit attributable to shareholders of the Company (RM'000)	17,185	11,153 #	35,591	29,841 #
No. of ordinary shares in issue ('000)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (sen)	3.91	2.53 #	8.09	6.78 #

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.

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APPENDIX 9B

B12 Realised and Unrealised Profits/Losses

	As at 30.6.2012 RM'000	As at 31.12.2011 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	235,429	213,831
- Unrealised	67,154	71,194 #
	302,583	285,025 #
Total share of accumulated losses in an associated company		
- Realised	(52,504)	(53,509)
- Unrealised	-	-
	250,079	231,516 #
Add : Consolidated adjustments	55,838	58,610 #
Total Group retained profits	305,917	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.

B13 Notes to the Statement of Comprehensive Income

	3 months ended		6 months ended	
	30.6.2012 RM'000	30.6.2011 RM'000	30.6.2012 RM'000	30.6.2011 RM'000
Net profit for the period/year is arrived at after charging:-				
Interest expense	(460)	(767)	(1,033)	(1,705)
Depreciation	(13,225)	(12,575)	(25,736)	(24,989)
Foreign exchange loss	-	(134)	-	(1,626)
Allowance for doubtful debts				
- loans to associates	(3,822)	-	(532)	-
- trade receivables	-	-	-	(26)
and after crediting:-				
Interest income	91	141	163	233
Foreign exchange gain	2,761	-	134	-
Write back of allowance for doubtful debts				
- loans to associates	-	158	-	1,949
- trade receivables	13	17	47	-

Other than the above which have been included in the statement of comprehensive income, there were no impairment of assets, gain or loss on disposal of quoted or unquoted investments or properties and exceptional items for the financial period ended 30 June 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
17 August 2012