

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		9 months ended	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	123,032	110,998	346,789	325,309
Operating profit before exceptional item	32,565	21,104	82,340	66,914
Exceptional item	-	-	-	-
Operating profit after exceptional item	32,565	21,104	82,340	66,914
Interest expense	(509)	(709)	(1,542)	(2,414)
Interest income	133	91	296	324
Share of results of an associated company	(194)	(30)	811	396
Profit before tax	31,995	20,456	81,905	65,220
Tax expense	(8,182)	(5,125) #	(20,992)	(16,724) #
Profit for the period	23,813	15,331 #	60,913	48,496 #
<i>Attributable to:</i>				
Shareholders of the Company	21,294	14,317 #	56,885	44,158 #
Minority interests	2,519	1,014 #	4,028	4,338 #
	23,813	15,331 #	60,913	48,496 #
Basic Earnings per Ordinary Share (sen)	4.84	3.25 #	12.93	10.04 #
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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		9 months ended	
	30.9.2012 RM'000	30.9.2011 RM'000	30.9.2012 RM'000	30.9.2011 RM'000
Profit for the period	23,813	15,331 #	60,913	48,496 #
Other comprehensive income/(expense) for the period	-	-	-	-
Total comprehensive income for the period	23,813	15,331 #	60,913	48,496 #
<u>Attributable to:</u>				
Shareholders of the Company	21,294	14,317 #	56,885	44,158 #
Minority interests	2,519	1,014 #	4,028	4,338 #
	23,813	15,331 #	60,913	48,496 #

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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	As at 30.9.2012 RM'000	As at 31.12.2011 RM'000	As at 1.1.2011 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	730,842	731,059	745,351
Investment properties	266,899	266,899	266,846
Interest in associates	50,351	16,723	10,291
Property development expenditure	12,286	12,286	12,240
Deferred tax assets	3,954	5,587 #	9,761 #
	<u>1,064,332</u>	<u>1,032,554 #</u>	<u>1,044,489 #</u>
Current assets			
Inventories	8,233	8,809	8,754
Trade and other receivables, prepayments and deposits	29,584	23,938	24,796
Tax recoverable	1,340	1,765	3,246
Cash and cash equivalents	21,900	21,655	17,200
	<u>61,057</u>	<u>56,167</u>	<u>53,996</u>
Total assets	<u>1,125,389</u>	<u>1,088,721 #</u>	<u>1,098,485 #</u>
EQUITY			
Capital and reserves			
Share capital	440,000	440,000	440,000
Reserves	418,512	394,627 #	368,559 #
Total equity attributable to shareholders of the Company	<u>858,512</u>	<u>834,627 #</u>	<u>808,559 #</u>
Minority interests	86,883	82,855 #	79,932 #
Total equity	<u>945,395</u>	<u>917,482 #</u>	<u>888,491 #</u>
LIABILITIES			
Non-current liabilities			
Long-term borrowings	-	5,306	46,258
Retirement benefits	13,806	13,404	12,878
Deferred tax liabilities	16,179	11,997 #	8,559 #
	<u>29,985</u>	<u>30,707 #</u>	<u>67,695 #</u>
Current liabilities			
Trade and other payables and accruals	64,978	75,887	81,414
Short-term borrowings	70,785	63,892	59,952
Current tax liabilities	1,046	753	933
Dividend payable	13,200	-	-
	<u>150,009</u>	<u>140,532</u>	<u>142,299</u>
Total liabilities	<u>179,994</u>	<u>171,239 #</u>	<u>209,994 #</u>
Total equity and liabilities	<u>1,125,389</u>	<u>1,088,721 #</u>	<u>1,098,485 #</u>
Net Assets per Ordinary Share (RM) Attributable to Shareholders of the Company	1.95	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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 September 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	-	-	44,158 #	44,158 #	4,338 #	48,496 #
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	44,158 #	44,158 #	4,338 #	48,496 #
Dividends paid						
- Final dividend for the financial year ended 31.12.2010 paid on 30.6.2011	-	-	(19,800)	(19,800)	-	(19,800)
- Interim dividend for the financial year ended 31.12.2011 paid on 23.11.2011	-	-	(9,900)	(9,900)	-	(9,900)
Balance at 30 September 2011	440,000	104,501	278,516 #	823,017 #	84,270 #	907,287 #
Balance at 1 January 2012	440,000	104,501	290,126 #	834,627 #	82,855 #	917,482 #
Net profit for the period	-	-	56,885	56,885	4,028	60,913
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	56,885	56,885	4,028	60,913
Dividends						
- Final dividend for the financial year ended 31.12.2011 paid on 28.6.2012	-	-	(19,800)	(19,800)	-	(19,800)
- Interim dividend for the financial year ending 31.12.2012 payable on 14.11.2012	-	-	(13,200)	(13,200)	-	(13,200)
Balance at 30 September 2012	440,000	104,501	314,011	858,512	86,883	945,395

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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the 9 months ended 30 September 2012**

	30.9.2012 RM'000	30.9.2011 RM'000
Profit before tax	81,905	65,220
Adjustments for non-cash flow:-		
Non-cash items	39,496	45,631
Non-operating items	1,246	2,090
Operating profit before changes in working capital	<u>122,647</u>	<u>112,941</u>
Changes in working capital		
Net change in current assets	(5,070)	(776)
Net change in current liabilities	(10,069)	(21,079)
Cash generated from operations	<u>107,508</u>	<u>91,086</u>
Income taxes paid	(14,459)	(9,845)
Retirement benefits paid	(902)	(823)
Net cash inflow from operating activities	<u>92,147</u>	<u>80,418</u>
Investing activities		
Interest income received	296	324
Purchase of property, plant and equipment	(39,850)	(22,685)
Expenditure on property development	-	(45)
Net cash outflow from investing activities	<u>(39,554)</u>	<u>(22,406)</u>
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	2,651	(38,308)
Interest expense paid	(1,542)	(2,414)
Drawdown of loans to associates	(32,817)	-
Net cash outflow from financing activities	<u>(52,348)</u>	<u>(60,522)</u>
Net increase / (decrease) in cash & cash equivalents	<u>245</u>	<u>(2,510)</u>
Cash & cash equivalents at beginning of the year	21,655	17,200
Cash & cash equivalents at end of financial period	<u>21,900</u>	<u>14,690</u>
Cash and cash equivalents at end of financial period	21,900	14,690
Bank overdraft at end of financial period	-	-
Cash & cash equivalents in the consolidated balance sheet	<u>21,900</u>	<u>14,690</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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 current reporting period have been prepared in accordance with MFRS 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), and should be read in conjunction with the Group’s financial statements for the year ended 31 December 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 30.9.2011 RM’000	As at 31.12.2011 RM’000
Increase in deferred tax assets	9,761	5,886	5,587
Increase in total assets	9,761	5,886	5,587
Increase in retained earnings	16,725	13,278	11,929
Increase in total equity attributable to shareholders of the Company	16,725	13,278	11,929
Increase in minority interests	1,322	567	325
Increase in total equity	18,047	13,845	12,254
Decrease in deferred tax liabilities	(8,286)	(7,959)	(6,667)
Increase in total equity and liabilities	9,761	5,886	5,587

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012

NOTES PURSUANT TO MFRS 134

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

Income Statement	3rd Quarter ended 30.9.2011 RM'000	9 months ended 30.9.2011 RM'000	Year ended 31.12.2011 RM'000
Increase in tax expense	1,133	4,202	5,793
Decrease in profit for the period/year	(1,133)	(4,202)	(5,793)
<u>Decrease in profit attributable to:</u>			
Shareholders of the Company	(963)	(3,447)	(4,796)
Minority interests	(170)	(755)	(997)

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 tables below.

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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 30 September 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	723,911	-	723,911
Investment properties	266,846	-	266,846
Interest in associates	10,687	-	10,687
Property development expenditure	12,285	-	12,285
Deferred tax assets	-	5,886	5,886
	1,013,729	5,886	1,019,615
Current assets			
Inventories	8,338	-	8,338
Trade and other receivables, prepayments and deposits	25,988	-	25,988
Tax recoverable	2,710	-	2,710
Cash and cash equivalents	14,690	-	14,690
	51,726	-	51,726
Total assets	1,065,455	5,886	1,071,341
EQUITY			
Capital and reserves			
Share capital	440,000	-	440,000
Share premium	104,501	-	104,501
Retained earnings	265,238	13,278	278,516
Total equity attributable to shareholders of the Company	809,739	13,278	823,017
Minority interests	83,703	567	84,270
Total equity	893,442	13,845	907,287
LIABILITIES			
Non-current liabilities			
Long-term borrowings	11,844	-	11,844
Retirement benefits	13,443	-	13,443
Deferred tax liabilities	17,451	(7,959)	9,492
	42,738	(7,959)	34,779
Current liabilities			
Trade and other payables and accruals	60,335	-	60,335
Short-term borrowings	56,572	-	56,572
Current tax liabilities	2,468	-	2,468
Dividend payable	9,900	-	9,900
	129,275	-	129,275
Total liabilities	172,013	(7,959)	164,054
Total equity and liabilities	1,065,455	5,886	1,071,341

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 3rd Quarter Ended 30 September 2011

	Under FRS Framework RM'000	Effect of Transition to MFRS (MFRS 112) RM'000	Under MFRS Framework RM'000
Revenue	110,998	-	110,998
Operating profit before exceptional item	21,104	-	21,104
Exceptional item	-	-	-
Operating profit after exceptional item	21,104	-	21,104
Interest expense	(709)	-	(709)
Interest income	91	-	91
Share of results of an associated company	(30)	-	(30)
Profit before tax	20,456	-	20,456
Tax expense	(3,992)	(1,133)	(5,125)
Profit for the period	16,464	(1,133)	15,331
<u>Attributable to:</u>			
Shareholders of the Company	15,280	(963)	14,317
Minority interests	1,184	(170)	1,014
	16,464	(1,133)	15,331
Basic Earnings per Share (sen)	3.47	(0.22)	3.25

Reconciliation of Consolidated Statement of Comprehensive Income for the 3rd Quarter Ended 30 September 2011

	Under FRS Framework RM'000	Effect of Transition to MFRS (MFRS 112) RM'000	Under MFRS Framework RM'000
Profit for the period	16,464	(1,133)	15,331
Other comprehensive income/(expense) for the period	-	-	-
Total comprehensive income for the period	16,464	(1,133)	15,331
<u>Attributable to:</u>			
Shareholders of the Company	15,280	(963)	14,317
Minority interests	1,184	(170)	1,014
	16,464	(1,133)	15,331

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012**

NOTES PURSUANT TO MFRS 134

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

Reconciliation of Consolidated Income Statement for the Nine Months Ended 30 September 2011

	Under FRS Framework RM'000	Effect of Transition to MFRS (MFRS 112) RM'000	Under MFRS Framework RM'000
Revenue	325,309	-	325,309
Operating profit before exceptional item	66,914	-	66,914
Exceptional item	-	-	-
Operating profit after exceptional item	66,914	-	66,914
Interest expense	(2,414)	-	(2,414)
Interest income	324	-	324
Share of results of an associated company	396	-	396
Profit before tax	65,220	-	65,220
Tax expense	(12,522)	(4,202)	(16,724)
Profit for the period	52,698	(4,202)	48,496
<u>Attributable to:</u>			
Shareholders of the Company	47,605	(3,447)	44,158
Minority interests	5,093	(755)	4,338
	52,698	(4,202)	48,496
Basic Earnings per Share (sen)	10.82	(0.78)	10.04

Reconciliation of Consolidated Statement of Comprehensive Income for the Nine Months Ended 30 September 2011

	Under FRS Framework RM'000	Effect of Transition to MFRS (MFRS 112) RM'000	Under MFRS Framework RM'000
Profit for the period	52,698	(4,202)	48,496
Other comprehensive income/(expense) for the period	-	-	-
Total comprehensive income for the period	52,698	(4,202)	48,496
<u>Attributable to:</u>			
Shareholders of the Company	47,605	(3,447)	44,158
Minority interests	5,093	(755)	4,338
	52,698	(4,202)	48,496

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 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
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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 September 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 September 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 third quarter ended 30 September 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 September 2012.

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012**

NOTES PURSUANT TO MFRS 134

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 September 2012 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment Revenue					
Revenue from external customers	329,157	15,745	1,887	-	346,789
Inter-segment revenue	-	1,462	2,772	(4,234)	-
Total revenue	329,157	17,207	4,659	(4,234)	346,789
Segment Results					
Operating profit	73,420	9,676	4,428	(5,184)	82,340
Interest expense	(2,263)	-	(299)	1,020	(1,542)
Interest income	973	258	85	(1,020)	296
Share of results of an associated company	811	-	-	-	811
Profit before tax	72,941	9,934	4,214	(5,184)	81,905

As at 30 September 2012 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets	911,856	259,874	15,601	(112,293)	1,075,038
Interest in associates	50,351	-	-	-	50,351
Total assets	962,207	259,874	15,601	(112,293)	1,125,389

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

A10 Changes in Contingent Liabilities or Contingent Assets

In March 2012, the Company issued a corporate guarantee to Malayan Banking Berhad ("Maybank") for an amount up to USD8.0 million in respect of a Short Term Revolving Credit ("STRC") facility of USD8.0 million granted to Madarac Corporation ("Madarac"), the Company's wholly-owned subsidiary incorporated in the British Virgin Islands.

Subsequently, on 6 September 2012, the Company has provided a corporate guarantee in favour of Maybank for an amount up to USD10.0 million in respect of an additional STRC facility of USD10.0 million granted to Madarac.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012

NOTES PURSUANT TO MFRS 134

A11 Capital Commitments

Capital commitments for property, plant and equipment and investment properties not provided for as at 30 September 2012 are as follows:-

	RM'000
Authorised and contracted for	15,928
Authorised but not contracted for	8,591
	24,519

A12 Related Party Transactions

9 months ended 30.9.2012

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

10,729

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

746

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

32,817

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012

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

B1 Review of Group Results Nine Months 2012 vs Nine Months 2011

For the nine months ended 30 September 2012, Group revenue rose by 7% to RM346.789 million from RM325.309 million in the corresponding period ended 30 September 2011. The Group's profit before tax for the nine months of RM81.905 million was 26% above that of RM65.220 million in 2011. Group profit attributable to shareholders for the period was RM56.885 million, up 29% compared with RM44.158 million the previous year.

The overall financial performance of the Group for the first nine months of 2012 benefited largely from a strong growth in the operating results of Shangri-La Hotel Kuala Lumpur.

During the period, Shangri-La Hotel Kuala Lumpur grew revenue by 17% to RM138.626 million, with robust levels of business in both rooms and food and beverage operations. The hotel reported a pre-tax profit of RM35.294 million in the first nine months of 2012, an increase of 67% from RM21.164 million for the same period of 2011. Occupancy at the hotel moved up to 76% from 70% the previous year.

The performance of Rasa Sayang Resort was also better, with revenue improving by 4% in the nine months of 2012 to RM54.248 million, helped by a healthy increase in occupancy. The resort posted a higher operating profit of RM11.710 million compared to RM11.208 million for the nine-month period in 2011. Higher levels of leisure demand enabled the resort to raise its occupancy to 63% from 59% in 2011.

Revenue from Golden Sands Resort showed a modest growth over the prior year period to RM38.704 million, with an increase in occupancy being partially offset by a lower average room rate and weaker food and beverage business. The resort's pre-tax profit for the nine months of 2012 at RM9.637 million was relatively flat compared with RM9.680 million in 2011. Occupancy at the resort was 71% versus 68% the previous year.

At Traders Hotel Penang, revenue of RM27.930 million was marginally above the same period last year. Whilst the hotel generated increased rooms revenue with the benefit of a higher average room rate, this was largely offset by a decline in food and beverage sales. As a result of higher operating expenses, the hotel's pre-tax profit decreased by 9% to RM4.964 million from RM5.452 million in 2011. The hotel's occupancy was 83%, down from 85% last year.

Rasa Ria Resort experienced a 5% reduction in revenue to RM66.534 million, resulting from the ongoing major renovations to its Garden Wing guestrooms through most of the first half of 2012. Despite the revenue shortfall, the resort was able to achieve a slightly higher pre-tax profit of RM14.921 million as compared to RM14.808 million in 2011, which had included a charge of RM4.889 million for asset write-offs associated with the Garden Wing guestroom renovation programme. Occupancy of the resort for the period fell from 65% in 2011 to 60%.

The Group's investment properties in Kuala Lumpur produced an 11% improvement in total rental revenue to RM17.207 million for the nine months of 2012, with pre-tax profit rising to RM9.934 million from RM8.908 million in the same period last year. The growth was supported by stronger contributions from UBN Tower due to higher occupancy rates.

For the nine months to 30 September 2012, the Group's share of profit from Traders Hotel Yangon, its 23.53% associate hotel in Myanmar increased to RM0.811 million from RM0.396 million in the comparable period last year.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2012

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

B2 Comparison of Group Results 3rd Quarter 2012 vs 2nd Quarter 2012

Group revenue for the third quarter ended 30 September 2012 increased by 7% to RM123.032 million compared with RM114.630 million in the second quarter ended 30 June 2012. Group profit before tax for the third quarter was RM31.995 million, 29% higher than that of RM24.827 million in the second quarter 2012.

The Group's third quarter results were primarily driven by a significant improvement in revenue and profit contributions from Rasa Ria Resort with the completion of its major renovation programme at the end of May 2012, coupled with the better performances of the Group's resorts in Penang.

In the third quarter, Rasa Ria Resort delivered a 52% increase in revenue to RM30.717 million, boosted by a strong growth in occupancy from 56% in the second quarter 2012 to 78%. For Rasa Sayang Resort, occupancy improved to 64% from 60% in the second quarter 2012, with revenue up by 9% to RM17.869 million. At the same time, Golden Sands Resort also saw revenue grow by 10% to RM13.456 million on the back of a higher occupancy of 77% versus 71% for the second quarter 2012. The overall revenue for Traders Hotel Penang rose slightly over the second quarter to RM9.635 million, mostly due to an improvement in occupancy from 86% to 88%.

However, revenue from Shangri-La Hotel Kuala Lumpur decreased by 11% against the second quarter of 2012 to RM44.137 million, reflecting both lower business levels in rooms and food and beverage operations.

The combined rental revenue from the Group's investment properties in Kuala Lumpur for the three months to 30 September 2012 was RM6.130 million, a growth of 8% compared with RM5.690 million in the second quarter 2012.

B3 Prospects for 2012

Though the economic outlook remains uncertain, the Group's hotels and resorts should do reasonably well during the remaining three months of 2012 in tandem with the encouraging trends in both the business and leisure travel markets.

In particular, the operating performance of Rasa Ria Resort is expected to improve with better occupancy levels, following the completion of its major renovation programme for all the guestrooms in the Garden Wing at the end of May 2012. With an enhanced room product and facilities, the resort is well placed to compete strongly in the marketplace.

The overall prime office rental market in Kuala Lumpur is likely to hold up well for the remainder of 2012, which should help UBN Tower to show some further growth. However, market conditions for UBN Apartments will remain challenging.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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		9 months ended	
	30.9.2012 RM'000	30.9.2011 RM'000	30.9.2012 RM'000	30.9.2011 RM'000
Current taxation				
- Company and subsidiaries	6,554	4,593	15,166	12,594
Deferred taxation	1,641	1,187 #	5,815	4,808 #
Under/(Over) provision in respect of prior years				
- Company and subsidiaries	(13)	(655)	11	(678)
	8,182	5,125 #	20,992	16,724 #

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 overall effective tax rate for the nine months ended 30 September 2012 was 26%. This was higher compared with the statutory tax rate of 25% as 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 September 2012 comprise the following:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	-	-	-
Unsecured	70,785*	-	70,785
	70,785*	-	70,785

* Amounts drawdown include HKD50.600 million from an offshore bank in Labuan and USD10.696 million from a local bank.

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 30 September 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 September 2012.

B9 Changes in Material Litigation

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

B10 Dividend

An interim single tier dividend of 3 sen or 3% per ordinary share in respect of the financial year ending 31 December 2012 was declared on 17 August 2012 payable on Wednesday, 14 November 2012.

B11 Earnings per Share

The basic earnings per ordinary share for the nine (9) months ended 30 September 2012 has been calculated as follows:-

	3 months ended		9 months ended	
	30.9.2012	30.9.2011 #	30.9.2012	30.9.2011
Profit attributable to shareholders of the Company (RM'000)	21,294	14,317 #	56,885	44,158 #
No. of ordinary shares in issue ('000)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (sen)	4.84	3.25 #	12.93	10.04 #

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 30.9.2012 RM'000	As at 31.12.2011 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	254,671	213,831
- Unrealised	62,640	71,194 #
	317,311	285,025 #
Total share of accumulated losses in an associated company		
- Realised	(52,698)	(53,509)
- Unrealised	-	-
	264,613	231,516 #
Add : Consolidation adjustments	49,398	58,610 #
Total Group retained profits	314,011	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.

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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		9 months ended	
	30.9.2012 RM'000	30.9.2011 RM'000	30.9.2012 RM'000	30.9.2011 RM'000
Net profit for the period is arrived at after charging:-				
Interest expense	(509)	(709)	(1,542)	(2,414)
Depreciation	(13,851)	(13,120)	(39,587)	(38,109)
Foreign exchange loss	(2,874)	-	(2,740)	-
Allowance for doubtful debts				
- loans to associates	-	(5,029)	-	(3,080)
- trade receivables	-	(23)	-	(49)
and after crediting:-				
Interest income	133	91	296	324
Foreign exchange gain	-	4,191	-	2,565
Write back of allowance for doubtful debts				
- loans to associates	4,336	-	3,804	-
- trade receivables	2	-	49	-

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 September 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
8 November 2012