

1

**SHANGRI-LA HOTELS (MALAYSIA) BERHAD**

(10889-U)

(Incorporated in Malaysia)

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013**

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	
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>118,555</b>	<b>114,630</b>	<b>246,059</b>	<b>223,757</b>
Operating profit before exceptional item	24,588	24,901	58,590	49,775
Exceptional item	-	-	-	-
Operating profit after exceptional item	24,588	24,901	58,590	49,775
Interest expense	(307)	(460)	(618)	(1,033)
Interest income	272	91	395	163
Share of results of an associated company	376	295	1,263	1,005
<b>Profit before tax</b>	<b>24,929</b>	<b>24,827</b>	<b>59,630</b>	<b>49,910</b>
Tax expense	(7,003)	(6,602)	(15,908)	(12,810)
<b>Profit for the period</b>	<b>17,926</b>	<b>18,225</b>	<b>43,722</b>	<b>37,100</b>
<u>Attributable to:</u>				
Shareholders of the Company	16,579	17,185	40,408	35,591
Minority interests	1,347	1,040	3,314	1,509
	<b>17,926</b>	<b>18,225</b>	<b>43,722</b>	<b>37,100</b>
Basic Earnings per Ordinary Share (sen)	3.77	3.91	9.18	8.09
Diluted Earnings per Ordinary Share (sen)	NA	NA	NA	NA

*(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012)*

NA - not applicable

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	3 months ended		6 months ended	
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	17,926	18,225	43,722	37,100
Other comprehensive income/(expense) for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>17,926</b>	<b>18,225</b>	<b>43,722</b>	<b>37,100</b>
<u>Attributable to:</u>				
Shareholders of the Company	16,579	17,185	40,408	35,591
Minority interests	1,347	1,040	3,314	1,509
	<b>17,926</b>	<b>18,225</b>	<b>43,722</b>	<b>37,100</b>

*(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012)*

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013**

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**

	As at 30.6.2013 RM'000	As at 31.12.2012 RM'000 (Restated)	As at 1.1.2012 RM'000 (Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	717,040	730,885	731,059
Investment properties	270,227	269,280	266,899
Interest in associates	72,228	50,726	16,723
Property development expenditure	12,286	12,286	12,286
Deferred tax assets	854	2,127	5,580
	<u>1,072,635</u>	<u>1,065,304</u>	<u>1,032,547</u>
<b>Current assets</b>			
Inventories	8,556	8,911	8,809
Trade and other receivables, prepayments and deposits	32,097	29,138	23,938
Tax recoverable	559	1,061	1,765
Cash and cash equivalents	31,788	27,605	21,655
	<u>73,000</u>	<u>66,715</u>	<u>56,167</u>
<b>Total assets</b>	<u>1,145,635</u>	<u>1,132,019</u>	<u>1,088,714</u>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	440,000	440,000	440,000
Reserves	438,540	428,932	393,721
<b>Total equity attributable to shareholders of the Company</b>	<u>878,540</u>	<u>868,932</u>	<u>833,721</u>
Minority interests	89,628	86,314	82,817
<b>Total equity</b>	<u>968,168</u>	<u>955,246</u>	<u>916,538</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	-	-	5,306
Retirement benefits	15,455	15,058	14,663
Deferred tax liabilities	18,549	15,540	11,675
	<u>34,004</u>	<u>30,598</u>	<u>31,644</u>
<b>Current liabilities</b>			
Trade and other payables and accruals	64,647	83,042	75,887
Short-term borrowings	76,106	60,054	63,892
Current tax liabilities	2,710	3,079	753
	<u>143,463</u>	<u>146,175</u>	<u>140,532</u>
<b>Total liabilities</b>	<u>177,467</u>	<u>176,773</u>	<u>172,176</u>
<b>Total equity and liabilities</b>	<u>1,145,635</u>	<u>1,132,019</u>	<u>1,088,714</u>
Net Assets per Ordinary Share (RM)	2.00	1.97	1.89
Attributable to Shareholders of the Company			

*The Group's balance sheets at 31 December 2012 and 1 January 2012 have been restated to take into account the retrospective application of the revised MFRS 119 - Employee Benefits, which came into effect on 1 January 2013. A detailed explanation is provided in note A1.1.*

*(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012)*

## SHANGRI-LA HOTELS (MALAYSIA) BERHAD

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
For the six months ended 30 June 2013

All figures in RM'000	Attributable to Shareholders of the Company			Total equity attributable to shareholders of the Company	Minority interests	Total equity
	Share capital	Share premium	Retained earnings			
	← Non-distributable →		← Distributable →			
<b>Balance at 1 January 2012, as previously reported</b>	440,000	104,501	290,126	834,627	82,855	917,482
Effect of adopting revised MFRS 119 - Employee Benefits	-	-	(906)	(906)	(38)	(944)
<b>Balance at 1 January 2012, as restated</b>	440,000	104,501	289,220	833,721	82,817	916,538
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 paid						
- Final dividend for the financial year ended 31.12.2011 paid on 28.6.2012	-	-	(19,800)	(19,800)	-	(19,800)
<b>Balance at 30 June 2012, as restated</b>	440,000	104,501	305,011	849,512	84,326	933,838
<b>Balance at 1 January 2013, as previously reported</b>	440,000	104,501	324,455	868,956	86,563	955,519
Effect of adopting revised MFRS 119 - Employee Benefits	-	-	(24)	(24)	(249)	(273)
<b>Balance at 1 January 2013, as restated</b>	440,000	104,501	324,431	868,932	86,314	955,246
Net profit for the period	-	-	40,408	40,408	3,314	43,722
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	40,408	40,408	3,314	43,722
Dividends						
- Final dividend for the financial year ended 31.12.2012 paid on 28.6.2013	-	-	(30,800)	(30,800)	-	(30,800)
<b>Balance at 30 June 2013</b>	440,000	104,501	334,039	878,540	89,628	968,168

(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 2012)

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**For the 6 months ended 30 June 2013**

	30.6.2013 RM'000	30.6.2012 RM'000
<b>Profit before tax</b>	59,630	49,910
<b>Adjustments for non-cash flow:-</b>		
Non-cash items	29,881	26,261
Non-operating items	223	870
<b>Operating profit before changes in working capital</b>	<u>89,734</u>	<u>77,041</u>
<b>Changes in working capital</b>		
Net change in current assets	(2,604)	(6,471)
Net change in current liabilities	(17,395)	(12,090)
<b>Cash generated from operations</b>	<u>69,735</u>	<u>58,480</u>
Income taxes paid	(11,493)	(8,758)
Retirement benefits paid	(441)	(589)
<b>Net cash inflow from operating activities</b>	<u>57,801</u>	<u>49,133</u>
<b>Investing activities</b>		
Interest income received	395	163
Purchase of property, plant and equipment	(13,950)	(29,684)
Additions to investment properties	(947)	-
<b>Net cash outflow from investing activities</b>	<u>(14,502)</u>	<u>(29,521)</u>
<b>Financing activities</b>		
Dividends paid to shareholders of the Company	(30,800)	(19,800)
Dividend paid to minority shareholder of a subsidiary	(1,000)	(840)
Drawdown of loans	13,541	10,255
Interest expense paid	(618)	(1,033)
Drawdown of loans to associates	(20,239)	(12,007)
<b>Net cash outflow from financing activities</b>	<u>(39,116)</u>	<u>(23,425)</u>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<u>4,183</u>	<u>(3,813)</u>
Cash & cash equivalents at beginning of the year	27,605	21,655
<b>Cash &amp; cash equivalents at end of financial period</b>	<u>31,788</u>	<u>17,842</u>
Cash and cash equivalents at end of financial period	31,788	17,842
Bank overdraft at end of financial period	-	-
<b>Cash &amp; cash equivalents in the consolidated balance sheet</b>	<u>31,788</u>	<u>17,842</u>

*(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2012)*

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013**

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

**A1 Accounting Policies**

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 2012. These condensed consolidated interim financial statements also comply with IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (“IASB”).

Except as described below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements of the Group for the year ended 31 December 2012.

The Group adopted the following new or revised Malaysian Financial Reporting Standards (“MFRS”) and amendments to MFRS that are relevant and effective for annual periods beginning on or after 1 July 2012 or 1 January 2013.

MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 132	Financial Instruments: Presentation
Amendments to MFRS 134	Interim Financial Reporting

The adoption of the above new or revised MFRS and amendments to MFRS did not result in any substantial change to the Group’s accounting policies nor any impact on the financial statements of the Group, except for the following:-

**A1.1 Revised MFRS 119 – Employee Benefits**

With effect from 1 January 2013, the Group adopted the revised MFRS 119 – Employee Benefits. The revised standard requires actuarial gains and losses to be recognised immediately in other comprehensive income and past service costs immediately in the income statement.

The Group has previously recognised actuarial gains and losses as income and expense in the income statement when the net cumulative unrecognised actuarial gains or losses exceed ten percent of the present value of the defined benefit obligation. Unvested past service costs were recognised as an expense in the income statement on a straight line basis over the average vesting period until the benefits become vested.

This change in accounting policy has been applied retrospectively in accordance with the requirements of the standard. Accordingly, the 2012 comparatives have been restated.

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(Incorporated in Malaysia)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013

**NOTES PURSUANT TO MFRS 134**

**A1.1 Revised MFRS 119 – Employee Benefits (cont'd)**

The effects of adopting the revised MFRS 119 are summarised below.

**Consolidated Balance Sheet as at 1 January 2012**

	As Previously Reported RM'000	Effect of Adopting Revised MFRS 119 RM'000	As Restated RM'000
<b>Non-current assets</b>			
Deferred tax assets	5,587	(7)	5,580
<b>Total equity attributable to shareholders of the Company</b>			
Share capital	440,000	-	440,000
Share premium	104,501	-	104,501
Retained earnings	290,126	(906)	289,220
	834,627	(906)	833,721
Minority interests	82,855	(38)	82,817
<b>Non-current liabilities</b>			
Retirement benefits	13,404	1,259	14,663
Deferred tax liabilities	11,997	(322)	11,675

**Consolidated Balance Sheet as at 31 December 2012**

	As Previously Reported RM'000	Effect of Adopting Revised MFRS 119 RM'000	As Restated RM'000
<b>Non-current assets</b>			
Deferred tax assets	2,142	(15)	2,127
<b>Total equity attributable to shareholders of the Company</b>			
Share capital	440,000	-	440,000
Share premium	104,501	-	104,501
Retained earnings	324,455	(24)	324,431
	868,956	(24)	868,932
Minority interests	86,563	(249)	86,314
<b>Non-current liabilities</b>			
Retirement benefits	14,694	364	15,058
Deferred tax liabilities	15,646	(106)	15,540

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013

**NOTES PURSUANT TO MFRS 134**

**A1.1 Revised MFRS 119 – Employee Benefits (cont'd)**

**Consolidated Income Statement for the Year Ended 31 December 2012**

	As Previously Reported RM'000	Effect of Adopting Revised MFRS 119 RM'000	As Restated RM'000
Operating profit before/after exceptional item	102,680	80	102,760
<b>Profit before tax</b>	<b>102,390</b>	<b>80</b>	<b>102,470</b>
Tax expense	(30,353)	(20)	(30,373)
<b>Profit for the year</b>	<b>72,037</b>	<b>60</b>	<b>72,097</b>
<u>Attributable to:</u>			
<b>Shareholders of the Company</b>	67,329	60	67,389
Minority interests	4,708	-	4,708
	<b>72,037</b>	<b>60</b>	<b>72,097</b>
Basic Earnings Per Ordinary Share (sen)	15.30	0.02	15.32

**Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2012**

	As Previously Reported RM'000	Effect of Adopting Revised MFRS 119 RM'000	As Restated RM'000
Profit for the year	72,037	60	72,097
<b>Other comprehensive income for the year</b>			
<u>Items that will not be reclassified subsequently to income statement</u>	-	815	815
Actuarial gains on defined benefit plans	-	(204)	(204)
Deferred tax on actuarial gains	-	611	611
<b>Total comprehensive income for the year</b>	<b>72,037</b>	<b>671</b>	<b>72,708</b>
<u>Attributable to:</u>			
<b>Shareholders of the Company</b>	67,329	882	68,211
Minority interests	4,708	(211)	4,497
	<b>72,037</b>	<b>671</b>	<b>72,708</b>

**Consolidated Cash Flow Statement for the Year Ended 31 December 2012**

	As Previously Reported RM'000	Effect of Adopting Revised MFRS 119 RM'000	As Restated RM'000
Profit before tax	102,390	80	102,470
<b>Adjustments for non-cash flow:-</b>			
Non-cash items	54,601	(80)	54,521

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**(10889-U)**  
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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013**

**NOTES PURSUANT TO MFRS 134**

**A1.2 MFRS and Amendments Issued But Not Yet Effective**

The Group has not adopted the following new MFRS and amendments to MFRS issued by the Malaysian Accounting Standards Board ("MASB"), which are relevant to the Group's operations:-

		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
Amendments to MFRS 7 and MFRS 9	Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities	1 January 2014
Amendments to MFRS 127	Separate Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014

The adoption of the above MFRS and amendments to MFRS are not expected to have a significant impact on the consolidated 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 2013.

**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 2013.

**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 2013.

**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 2013.

**A6 Dividends Paid**

A final single tier dividend of 7% or 7 sen per share for the financial year ended 31 December 2012 amounting to RM30.800 million was paid on 28 June 2013. An interim single tier dividend of 3% or 3 sen per share amounting to RM13.200 million for the year ended 31 December 2012 was paid on 14 November 2012.

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(10889-U)  
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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013**

**NOTES PURSUANT TO MFRS 134**

**A7 Segmental Reporting**

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

For the period ended 30 June 2013 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
<b>Segment Revenue</b>					
Revenue from external customers	233,401	11,462	1,196	-	246,059
Inter-segment revenue	-	989	1,830	(2,819)	-
<b>Total revenue</b>	<b>233,401</b>	<b>12,451</b>	<b>3,026</b>	<b>(2,819)</b>	<b>246,059</b>
<b>Segment Results</b>					
Operating profit	55,124	7,370	(5,092)	1,188	58,590
Interest expense	(880)	-	(441)	703	(618)
Interest income	879	189	30	(703)	395
Share of results of an associated company	1,263	-	-	-	1,263
<b>Profit before tax</b>	<b>56,386</b>	<b>7,559</b>	<b>(5,503)</b>	<b>1,188</b>	<b>59,630</b>

As at 30 June 2013 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
<b>Segment assets</b>					
Interest in associates	916,378	262,279	13,021	(118,271)	1,073,407
<b>Total assets</b>	<b>988,606</b>	<b>262,279</b>	<b>13,021</b>	<b>(118,271)</b>	<b>1,145,635</b>

**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 2013 and the date of this report that would materially affect the results of the Group for the financial period ended 30 June 2013.

**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 2013.

**A10 Changes in Contingent Liabilities or Contingent Assets**

There have been no changes in the contingent liabilities or assets of the Group since the last annual balance sheet date as at 31 December 2012.

**A11 Capital Commitments**

Capital commitments for property, plant and equipment and investment properties not provided for as at 30 June 2013 are as follows:-

	RM'000
Authorised and contracted for	81,321
Authorised but not contracted for	55,395
	<u>136,716</u>

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013

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NOTES PURSUANT TO MFRS 134

A12	<b>Related Party Transactions</b>	6 months ended 30.6.2013 RM'000
<hr/>		
<b><u>Transactions with subsidiaries of the ultimate holding company</u></b>		
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		7,609
<b><u>Transactions with corporations in which Mdm Kuok Oon Kwong, a Director of the Company, has direct or indirect financial interests</u></b>		
Office rental income received from Kuok Brothers Sdn Bhd, PPB Group Berhad, PPB Oil Palms Berhad, PGEO Marketing Sdn Bhd and Chemquest Sdn Bhd		1,138
<b><u>Transactions with associates of the Group</u></b>		
Additional loans granted by Madarac Corporation, the Group's wholly-owned subsidiary incorporated in the British Virgin Islands to its associated companies in Myanmar		20,239

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013**

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

**B1 Review of Group Results 1st Half 2013 vs 1st Half 2012**

In the first six months to 30 June 2013, Group revenue rose by 10% to RM246.059 million from RM223.757 million for the half year ended 30 June 2012.

Group profit before tax in the first half of 2013 was RM59.630 million, an improvement of 19% from RM49.910 million in 2012. Group profit attributable to shareholders for the period consequently increased by 14% to RM40.408 million compared with RM35.591 million the previous year.

The Group's financial performance for the 2013 first half was underpinned by a robust growth in the operating results of Rasa Ria Resort as compared to the same period last year when the resort's business operation was held back by the renovation work to its Garden Wing guestrooms which was completed in May 2012.

For the half year, Rasa Ria Resort grew revenue by 41% to RM50.504 million and pre-tax profit increased by 221% from RM3.621 million in the first six months of 2012 to RM11.618 million. The resort raised its occupancy to 71% from 49% the previous year.

Improved leisure business enabled Rasa Sayang Resort to grow its occupancy to 66% from 61% for the first half 2012, leading to a 2% growth in revenue to RM37.275 million. The resort made a pre-tax profit of RM9.458 million, 21% better than RM7.828 million in 2012.

There was also a good performance from Golden Sands Resort, helped by an increase in overall occupancy to 71% versus 67% the previous year. The resort achieved a revenue growth of 7% over the first half 2012 to RM27.007 million, with pre-tax profit improving by 18% from RM6.272 million to RM7.421 million.

At Traders Hotel Penang, revenue of RM19.990 million was up 9% on the first six months of 2012, lifted mainly by a healthy growth in the average room rate. The hotel generated a 33% increase in pre-tax-profit to RM4.286 million compared with RM3.219 million in the prior year first half. Occupancy of the hotel for the period was flat at 80%.

Shangri-La Hotel Kuala Lumpur posted a 2% rise in revenue to RM96.402 million, driven by a higher occupancy level of 83% against 73% in the 2012 first half. Nevertheless, a weaker food and beverage performance, coupled with an increase in operating expenses resulted in a 3% reduction in pre-tax profit to RM25.006 million from RM25.836 million in the first half last year.

The combined rental revenue from the Group's investment properties rose by 12% over the first six months of 2012 to RM12.451 million, while their combined pre-tax profit of RM7.559 million was 20% ahead of RM6.289 million last year. Growth was supported by stronger contributions from UBN Tower reflecting improved occupancy rates.

For the first half ended 30 June 2013, the Group's share of profit from Traders Hotel Yangon, its 23.53% associate hotel in Myanmar increased to RM1.263 million from RM1.005 million in the same period in 2012.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013

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

**B2 Comparison of Group Results 2nd Quarter 2013 vs 1st Quarter 2013**

The Group's revenue for the second quarter ended 30 June 2013 was RM118.555 million, 7% below that of RM127.504 million in the first quarter ended 31 March 2013. In tandem, Group pre-tax profit for the second quarter 2013 decreased by 28% to RM24.929 million from RM34.701 million in the first quarter 2013.

These reductions were mostly due to lower revenue and profit contributions from the Group's resorts in Sabah and Penang on account of weaker occupancy levels.

At Rasa Ria Resort, occupancy for the second quarter dropped to 65% from 77% in the first quarter of 2013, contributing to an overall 15% decline in revenue to RM23.252 million with pre-tax profit down 41% to RM4.327 million. Both Rasa Sayang Resort and Golden Sands Resort also saw lower leisure demand during the second quarter of 2013. For Rasa Sayang Resort, occupancy fell to 61% from 72%, whilst occupancy at Golden Sands Resort slipped from 77% to 65%. As a result, revenue from Rasa Sayang Resort showed a 21% drop over the 2013 first quarter to RM16.484 million, whereas revenue at Golden Sand Resort reduced by 13% to RM12.584 million.

Shangri-La Hotel Kuala Lumpur on the other hand achieved a revenue increase of 2% to RM48.630 million against the first quarter 2013, while maintaining a high occupancy of 83%. For Traders Hotel Penang, revenue of RM10.238 million was 5% higher in line with an increased occupancy level of 81% versus 78%.

The Group's investment properties in Kuala Lumpur recorded a 2% improvement in combined rental revenue to RM6.277 million when compared to the first quarter ended 31 March 2013.

**B3 Prospects for 2013**

While the economic outlook remains challenging, overall trends in both the business and leisure travel markets are expected to stay relatively positive during the second half of 2013. The Group's hotels and resorts are in a strong competitive position to capitalise on any improvements in market conditions.

Notably, Rasa Ria Resort should continue to grow well buoyed by the ongoing benefits of its newly renovated Garden Wing guestrooms that were completed in May 2012. Further, the planned guestroom renovation programmes at Traders Hotel Penang and Rasa Sayang Resort, which were scheduled to commence in the second half of 2013 have now been postponed to 2014.

As for the Group's investment properties, the prime office rental market is generally expected to hold up over the remainder of 2013, which should help UBN Tower to see some further growth in demand. The trading environment for UBN Apartments will remain sluggish.

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013**

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

**B4 Variance on Profit Forecast/Profit Guarantee**

Not applicable.

**B5 Taxation**

The tax charge of the Group for the financial period under review is as follows:-

	3 months ended		6 months ended	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
Current taxation				
- Company and subsidiaries	5,476	4,124	11,626	8,612
Deferred taxation	1,527	2,426	4,282	4,174
Under provision in respect of prior years				
- Company and subsidiaries	-	52	-	24
	7,003	6,602	15,908	12,810

The overall effective tax rate for the first six months to 30 June 2013 was 27%. This rate is higher than the statutory tax rate of 25% because the net losses incurred by certain subsidiaries during the period 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**

Group borrowings as at 30 June 2013 comprise the following:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	-	-	-
Unsecured	76,106*	-	76,106
	76,106*	-	76,106

\* Amounts drawdown include HKD50.600 million from an offshore bank in Labuan and USD17.558 million from a local bank.

There were no debt securities in the financial period ended 30 June 2013.

**B8 Financial Instruments**

**Derivatives**

There were no outstanding derivative financial instruments as at 30 June 2013.

**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 2013.

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS  
FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013**

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

**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 2013 (2012 interim single tier dividend: 3 sen or 3% per ordinary share). The interim dividend is payable on Thursday, 21 November 2013.

NOTICE IS HEREBY GIVEN that the interim dividend will be paid to shareholders whose names appear in the Record of Depositors on Thursday, 31 October 2013.

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 Thursday, 31 October 2013 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 2013 has been calculated as follows:-

	3 months ended		6 months ended	
	30.6.2013	30.6.2012	30.6.2013	30.6.2012
Profit attributable to shareholders of the Company (RM'000)	16,579	17,185	40,408	35,591
No. of ordinary shares in issue ('000)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (sen)	3.77	3.91	9.18	8.09

**Diluted Earnings per Share**

Not applicable.

**B12 Realised and Unrealised Profits/Losses**

	As at 30.6.2013 RM'000	As at 31.12.2012 RM'000 (Restated)
Total retained profits of the Company and its subsidiaries		
- Realised	279,430	267,313
- Unrealised	59,784	61,430
	339,214	328,743
Total share of accumulated losses in an associated company		
- Realised	(51,060)	(52,323)
- Unrealised	-	-
	288,154	276,420
Add : Consolidation adjustments	45,885	48,011
Total Group retained profits	334,039	324,431

Certain comparative figures as at 31.12.2012 have been restated to take into account the retrospective application of the revised MFRS 119 – Employee Benefits, which came into effect on 1 January 2013. A detailed explanation is provided in Note A1.1.

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

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS**  
**FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013**

**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		6 months ended	
	30.6.2013 RM'000	30.6.2012 RM'000	30.6.2013 RM'000	30.6.2012 RM'000
<b>Net profit for the period is arrived at after charging:-</b>				
Interest expense	(307)	(460)	(618)	(1,033)
Depreciation	(13,764)	(13,225)	(27,436)	(25,736)
Allowance for doubtful debts				
- loans to associates	(3,647)	(3,822)	(5,147)	(532)
- trade receivables	(37)	-	(12)	-
<b>and after crediting:-</b>				
Interest income	272	91	395	163
Foreign exchange gain	1,721	2,761	2,636	134
Write back of allowance for doubtful debts				
- trade receivables	-	13	-	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 2013.

**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 2012.

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

**Kuala Lumpur**  
**28 August 2013**