

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 2013

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	
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	133,423	123,032	379,482	346,789
Operating profit before exceptional item	33,361	32,565	91,951	82,340
Exceptional item	-	-	-	-
Operating profit after exceptional item	33,361	32,565	91,951	82,340
Interest expense	(364)	(509)	(982)	(1,542)
Interest income	333	133	728	296
Share of results of an associated company	532	(194)	1,795	811
Profit before tax	33,862	31,995	93,492	81,905
Tax expense	(8,773)	(8,182)	(24,681)	(20,992)
Profit for the period	25,089	23,813	68,811	60,913
<u>Attributable to:</u>				
Shareholders of the Company	22,196	21,294	62,604	56,885
Minority interests	2,893	2,519	6,207	4,028
	25,089	23,813	68,811	60,913
Basic Earnings per Ordinary Share (sen)	5.04	4.84	14.23	12.93
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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		9 months ended	
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	25,089	23,813	68,811	60,913
Other comprehensive income/(expense) for the period	-	-	-	-
Total comprehensive income for the period	25,089	23,813	68,811	60,913
<u>Attributable to:</u>				
Shareholders of the Company	22,196	21,294	62,604	56,885
Minority interests	2,893	2,519	6,207	4,028
	25,089	23,813	68,811	60,913

(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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2013**

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	As at 30.9.2013 RM'000	As at 31.12.2012 RM'000 (Restated)	As at 1.1.2012 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	713,305	730,885	731,059
Investment properties	271,698	269,280	266,899
Interest in associates	89,468	50,726	16,723
Property development expenditure	12,286	12,286	12,286
Deferred tax assets	124	2,127	5,580
	<u>1,086,881</u>	<u>1,065,304</u>	<u>1,032,547</u>
Current assets			
Inventories	8,463	8,911	8,809
Trade and other receivables, prepayments and deposits	30,586	29,138	23,938
Tax recoverable	515	1,061	1,765
Cash and cash equivalents	67,143	27,605	21,655
	<u>106,707</u>	<u>66,715</u>	<u>56,167</u>
Total assets	<u>1,193,588</u>	<u>1,132,019</u>	<u>1,088,714</u>
EQUITY			
Capital and reserves			
Share capital	440,000	440,000	440,000
Reserves	447,536	428,932	393,721
Total equity attributable to shareholders of the Company	<u>887,536</u>	<u>868,932</u>	<u>833,721</u>
Minority interests	92,521	86,314	82,817
Total equity	<u>980,057</u>	<u>955,246</u>	<u>916,538</u>
LIABILITIES			
Non-current liabilities			
Long-term borrowings	-	-	5,306
Retirement benefits	15,676	15,058	14,663
Deferred tax liabilities	21,464	15,540	11,675
	<u>37,140</u>	<u>30,598</u>	<u>31,644</u>
Current liabilities			
Trade and other payables and accruals	67,210	83,042	75,887
Short-term borrowings	95,126	60,054	63,892
Current tax liabilities	855	3,079	753
Dividend payable	13,200	-	-
	<u>176,391</u>	<u>146,175</u>	<u>140,532</u>
Total liabilities	<u>213,531</u>	<u>176,773</u>	<u>172,176</u>
Total equity and liabilities	<u>1,193,588</u>	<u>1,132,019</u>	<u>1,088,714</u>
Net Assets per Ordinary Share (RM) Attributable to Shareholders of the Company	2.02	1.97	1.89

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)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2013UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 September 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 →			
Balance at 1 January 2012, as previously reported	440,000	104,501	290,126	834,627	82,855	917,482
Effect of adopting revised MFRS 119 - Employee Benefits	-	-	(906)	(906)	(38)	(944)
Balance at 1 January 2012, as restated	440,000	104,501	289,220	833,721	82,817	916,538
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 paid						
- 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 ended 31.12.2012 paid on 14.11.2012	-	-	(13,200)	(13,200)	-	(13,200)
Balance at 30 September 2012, as restated	440,000	104,501	313,105	857,606	86,845	944,451
Balance at 1 January 2013, as previously reported	440,000	104,501	324,455	868,956	86,563	955,519
Effect of adopting revised MFRS 119 - Employee Benefits	-	-	(24)	(24)	(249)	(273)
Balance at 1 January 2013, as restated	440,000	104,501	324,431	868,932	86,314	955,246
Net profit for the period	-	-	62,604	62,604	6,207	68,811
Other comprehensive income/(expense) for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	62,604	62,604	6,207	68,811
Dividends						
- Final dividend for the financial year ended 31.12.2012 paid on 28.6.2013	-	-	(30,800)	(30,800)	-	(30,800)
- Interim dividend for the financial year ending 31.12.2013 payable on 21.11.2013	-	-	(13,200)	(13,200)	-	(13,200)
Balance at 30 September 2013	440,000	104,501	343,035	887,536	92,521	980,057

(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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2013

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the 9 months ended 30 September 2013

	30.9.2013 RM'000	30.9.2012 RM'000
Profit before tax	93,492	81,905
Adjustments for non-cash flow:-		
Non-cash items	45,966	39,496
Non-operating items	254	1,246
Operating profit before changes in working capital	<u>139,712</u>	<u>122,647</u>
Changes in working capital		
Net change in current assets	(1,000)	(5,070)
Net change in current liabilities	(14,832)	(10,069)
Cash generated from operations	<u>123,880</u>	<u>107,508</u>
Income taxes paid	(18,432)	(14,459)
Retirement benefits paid	(641)	(902)
Net cash inflow from operating activities	<u>104,807</u>	<u>92,147</u>
Investing activities		
Interest income received	728	296
Purchase of property, plant and equipment	(24,264)	(39,850)
Additions to investment properties	(2,418)	-
Net cash outflow from investing activities	<u>(25,954)</u>	<u>(39,554)</u>
Financing activities		
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	30,414	2,651
Interest expense paid	(982)	(1,542)
Advances to associates	(36,947)	(32,817)
Net cash outflow from financing activities	<u>(39,315)</u>	<u>(52,348)</u>
Net increase in cash & cash equivalents	<u>39,538</u>	<u>245</u>
Cash & cash equivalents at beginning of the year	27,605	21,655
Cash & cash equivalents at end of financial period	<u>67,143</u>	<u>21,900</u>
Cash and cash equivalents at end of financial period	67,143	21,900
Bank overdraft at end of financial period	-	-
Cash & cash equivalents in the consolidated balance sheet	<u>67,143</u>	<u>21,900</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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 changes 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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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
Non-current assets			
Deferred tax assets	5,587	(7)	5,580
Total equity attributable to shareholders of the Company			
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
Non-current liabilities			
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
Non-current assets			
Deferred tax assets	2,142	(15)	2,127
Total equity attributable to shareholders of the Company			
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
Non-current liabilities			
Retirement benefits	14,694	364	15,058
Deferred tax liabilities	15,646	(106)	15,540

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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 for the year	102,680	80	102,760
Profit before tax	102,390	80	102,470
Tax expense	(30,353)	(20)	(30,373)
Profit for the year	72,037	60	72,097
<u>Attributable to:</u>			
Shareholders of the Company	67,329	60	67,389
Minority interests	4,708	-	4,708
	72,037	60	72,097
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
Other comprehensive income for the year			
<u>Items that will not be reclassified subsequently to income statement</u>			
Actuarial gains on defined benefit plans	-	815	815
Deferred tax on actuarial gains	-	(204)	(204)
	-	611	611
Total comprehensive income for the year	72,037	671	72,708
<u>Attributable to:</u>			
Shareholders of the Company	67,329	882	68,211
Minority interests	4,708	(211)	4,497
	72,037	671	72,708

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
Adjustments for non-cash flow:-			
Non-cash items	54,601	(80)	54,521

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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
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets	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 September 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 September 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 third quarter ended 30 September 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 September 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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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 September 2013 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment Revenue					
Revenue from external customers	360,379	17,251	1,852	-	379,482
Inter-segment revenue	-	1,476	2,737	(4,213)	-
Total revenue	360,379	18,727	4,589	(4,213)	379,482
Segment Results					
Operating profit	87,261	11,286	(9,650)	3,054	91,951
Interest expense	(1,364)	-	(786)	1,168	(982)
Interest income	1,581	285	30	(1,168)	728
Share of results of an associated company	1,795	-	-	-	1,795
Profit before tax	89,273	11,571	(10,406)	3,054	93,492

As at 30 September 2013 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets	943,031	264,743	12,732	(116,386)	1,104,120
Interest in associates	89,468	-	-	-	89,468
Total assets	1,032,499	264,743	12,732	(116,386)	1,193,588

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

A10 Changes in Contingent Liabilities or Contingent Assets

In July 2013, the Company issued a corporate guarantee to The Bank of East Asia Limited, Labuan Branch ("BEA") for an amount up to USD30.0 million in respect of a Short Term Revolving Credit ("STRC") facility of USD30.0 million granted to Madarac Corporation ("Madarac"), 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 September 2013 are as follows:-

	RM'000
Authorised and contracted for	77,839
Authorised but not contracted for	27,903
	<u>105,742</u>

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NOTES PURSUANT TO MFRS 134

A12	Related Party Transactions	9 months ended 30.9.2013 RM'000
<hr/>		
<u>Transactions with subsidiaries of the ultimate holding company</u>		
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		11,714
<u>Transactions with corporations in which Mdm Kuok Oon Kwong, a Director of the Company, has direct or indirect financial interests</u>		
Office rental income received from Kuok Brothers Sdn Bhd, PPB Group Berhad, PPB Oil Palms Berhad, PGEO Marketing Sdn Bhd and Chemquest Sdn Bhd		1,707
<u>Transactions with associates of the Group</u>		
Additional loans granted by Madarac Corporation, the Group's wholly-owned subsidiary incorporated in the British Virgin Islands to its associated companies in Myanmar		36,947

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

B1 Review of Group Results Nine Months 2013 vs Nine Months 2012

For the nine months to 30 September 2013, Group revenue increased by 9% to RM379.482 million compared with RM346.789 million in the corresponding period ended 30 September 2012.

Group profit before tax for the nine months of RM93.492 million was 14% higher than that of RM81.905 million in 2012. The Group's profit attributable to shareholders for the period was RM62.604 million, up 10% from RM56.885 million the previous year.

The financial results of the Group for the first nine months of 2013 benefited significantly from a buoyant performance by Rasa Ria Resort, with the renovation programme of all its Garden Wing guestrooms completed in May 2012, coupled with strong local market conditions.

In the first nine months of 2013, Rasa Ria Resort grew revenue by 28% to RM85.279 million, on the back of good growth in both rooms and food and beverage business. The resort's pre-tax profit for the period rose by 63% to RM24.356 million from RM14.921 million in the nine months of 2012. Occupancy at the resort improved from 58% in 2012 to 76%.

A rise in leisure demand enabled Rasa Sayang Resort to grow its occupancy from 61% in the nine-month period of 2012 to 67%, leading to a 4% increase in revenue to RM56.658 million. For the first nine months of 2013, the resort generated a pre-tax profit of RM14.494 million, 32% better than RM10.985 million in 2012.

Golden Sands Resort also performed well, achieving a revenue growth of 7% over the nine months of 2012 to RM41.525 million, and a pre-tax profit of RM11.585 million, up 20% from RM9.637 million the previous year. The resort had a higher occupancy of 72% as compared to 70% in 2012.

Revenue from Traders Hotel Penang for the nine months of 2013 showed an 8% improvement to RM30.054 million, buoyed by a healthy increase in the average room rate. The hotel made a pre-tax profit of RM6.195 million, 25% ahead of RM4.964 million in 2012. Occupancy of the hotel was 79% versus 82% in the prior year period.

At Shangri-La Hotel Kuala Lumpur, revenue of RM143.710 million was up 4% on the first nine months of 2012, helped by an improved occupancy level of 82% against 74% the previous year. Despite this, the hotel recorded a small decline in pre-tax profit to RM34.645 million compared with RM35.294 million in 2012, owing to a reduced profit from food and beverage operations.

For the first nine months of 2013, the combined rental revenue from the Group's investment properties in Kuala Lumpur was RM18.727 million, a rise of 9% from the nine-month period in 2012, while their pre-tax profit rose by 16% from RM9.934 million in the previous year to RM11.571 million. The growth reflected a stronger contribution from UBN Tower in line with higher occupancy rates.

The Group's share of profit from Traders Hotel Yangon, its 23.53% associate hotel in Myanmar increased to RM1.795 million for the nine months ended 30 September 2013 compared with RM0.811 million in the same period last year.

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

B2 Comparison of Group Results 3rd Quarter 2013 vs 2nd Quarter 2013

The Group's revenue for the third quarter ended 30 September 2013 grew by 13% to RM133.423 million from RM118.555 million in the second quarter ended 30 June 2013. Group profit before tax in the third quarter was RM33.862 million, an increase of 36% compared with RM24.929 million in the second quarter 2013.

The performance in the third quarter was largely driven by a significant growth in the operating results of Rasa Ria Resort, and enhanced contributions from Rasa Sayang Resort and Golden Sands Resort.

During the third quarter, Rasa Ria Resort saw its revenue grow by 50% to RM34.775 million, benefiting from a strong increase in occupancy from 65% in the second quarter 2013 to 85%. At the same time, Rasa Sayang Resort and Golden Sands Resort also enjoyed higher demand from the leisure segment, contributing to healthy increases in both occupancy and average room rates. Rasa Sayang Resort achieved improved occupancy from 61% to 68%, whereas occupancy at Golden Sands Resort rose to 73% from 65%. As a result, Rasa Sayang Resort was able to generate an 18% growth in revenue over the second quarter 2013 to RM19.383 million, whilst revenue at Golden Sands Resort increased by 15% to RM14.518 million.

However, Shangri-La Hotel Kuala Lumpur posted a decline in revenue by 3% against the second quarter 2013 to RM47.308 million in response to a drop in occupancy from 83% to 81%. In addition, occupancy at Traders Hotel Penang decreased to 77% from 81% in the second quarter 2013, with overall revenue down by 2% to RM10.064 million.

The combined rental revenue from the Group's investment properties in Kuala Lumpur for the third quarter 2013 remained flat at RM6.276 million when compared to the second quarter to 30 June 2013.

B3 Prospects for 2013

Though economic conditions remain uncertain, the Group's hotels and resorts are expected to see continued encouraging demand from both the business and leisure travel markets for the remainder of 2013. They are in a good position to take advantage of any improvements in market conditions.

In particular, Rasa Ria Resort should be able to deliver further growth as the resort continues to reap the benefits from its newly renovated Garden Wing guestrooms, which were completed in May 2012.

The overall levels of demand in the prime office rental market are likely to stay relatively stable for the rest of 2013, and this should provide some further growth opportunities for UBN Tower. The performance of UBN Apartments, however will remain subdued amidst weak market conditions.

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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	
	30.9.2013 RM'000	30.9.2012 RM'000	30.9.2013 RM'000	30.9.2012 RM'000
Current taxation				
- Company and subsidiaries	5,625	6,554	17,251	15,166
Deferred taxation	3,645	1,641	7,927	5,815
(Over)/under provision in respect of prior years				
- Company and subsidiaries	(497)	(13)	(497)	11
	8,773	8,182	24,681	20,992

The effective tax rate on profit before tax for the nine months ended 30 September 2013 was 26% compared with the statutory tax rate of 25%. The higher effective tax rate for the period was due to the net losses incurred by certain subsidiaries, which could not 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 September 2013 comprise the following:-

	Short Term RM'000	Long Term RM'000	Total RM'000
Secured	-	-	-
Unsecured	95,126*	-	95,126
	95,126*	-	95,126

* Amounts drawdown consist of HKD50.600 million and USD4.658 million from two offshore banks in Labuan. It also includes USD18.0 million from a local bank.

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

B8 Financial Instruments

Derivatives

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

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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 2013 was declared on 28 August 2013 payable on Thursday, 21 November 2013.

B11 Earnings per Share

The basic earnings per ordinary share for the nine (9) months ended 30 September 2013 have been calculated as follows:-

	3 months ended		9 months ended	
	30.9.2013	30.9.2012	30.9.2013	30.9.2012
Profit attributable to shareholders of the Company (RM'000)	22,196	21,294	62,604	56,885
No. of ordinary shares in issue ('000)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (sen)	5.04	4.84	14.23	12.93

Diluted Earnings per Share

Not applicable.

B12 Realised and Unrealised Profits/Losses

	As at 30.9.2013 RM'000	As at 31.12.2012 RM'000 (Restated)
Total retained profits of the Company and its subsidiaries		
- Realised	290,245	267,313
- Unrealised	58,460	61,430
	348,705	328,743
Total share of accumulated losses in an associated company		
- Realised	(50,528)	(52,323)
- Unrealised	-	-
	298,177	276,420
Add : Consolidation adjustments	44,858	48,011
Total Group retained profits	343,035	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.

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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	
	30.9.2013 RM'000	30.9.2012 RM'000	30.9.2013 RM'000	30.9.2012 RM'000
Net profit for the period is arrived at after charging:-				
Interest expense	(364)	(509)	(982)	(1,542)
Depreciation	(13,737)	(13,851)	(41,173)	(39,587)
Foreign exchange loss	(2,146)	(4,336)	(4,657)	(3,804)
Allowance for doubtful debts				
- loans to associates	(4,468)	-	(9,615)	-
- trade receivables	(27)	-	(39)	-
and after crediting:-				
Interest income	333	133	728	296
Foreign exchange gain	4,468	1,462	9,615	1,064
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 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
12 November 2013