

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

| | 3 months ended | | 3 months ended | |
|---|----------------|----------------|----------------|----------------|
| | 31.3.2017 | 31.3.2016 | 31.3.2017 | 31.3.2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 130,136 | 135,265 | 130,136 | 135,265 |
| Operating profit | 26,608 | 26,591 | 26,608 | 26,591 |
| Interest expense | (828) | (625) | (828) | (625) |
| Interest income | 940 | 881 | 940 | 881 |
| Share of results of associated companies | 1,533 | 3,466 | 1,533 | 3,466 |
| Profit before tax | 28,253 | 30,313 | 28,253 | 30,313 |
| Tax expense | (7,983) | (9,044) | (7,983) | (9,044) |
| Profit for the period | 20,270 | 21,269 | 20,270 | 21,269 |
| <u>Attributable to:</u> | | | | |
| Shareholders of the Company | 19,403 | 18,932 | 19,403 | 18,932 |
| Non-controlling interests | 867 | 2,337 | 867 | 2,337 |
| | 20,270 | 21,269 | 20,270 | 21,269 |
| Basic Earnings per Ordinary Share (sen) | 4.41 | 4.30 | 4.41 | 4.30 |
| 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 2016)

NA - not applicable

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(10889-U)
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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 3 months ended | | 3 months ended | |
|--|----------------|---------------|----------------|---------------|
| | 31.3.2017 | 31.3.2016 | 31.3.2017 | 31.3.2016 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit for the period | 20,270 | 21,269 | 20,270 | 21,269 |
| <u>Other comprehensive income</u> | | | | |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | | | | |
| Exchange differences arising on translation of financial statements of overseas associates | 230 | - | 230 | - |
| Total comprehensive income for the period | 20,500 | 21,269 | 20,500 | 21,269 |
| <u>Attributable to:</u> | | | | |
| Shareholders of the Company | 19,633 | 18,932 | 19,633 | 18,932 |
| Non-controlling interests | 867 | 2,337 | 867 | 2,337 |
| | 20,500 | 21,269 | 20,500 | 21,269 |

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016)

SHANGRI-LA HOTELS (MALAYSIA) BERHAD
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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at 31.3.2017 RM'000 | As at 31.12.2016 RM'000 |
|---|------------------------------|-------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 736,255 | 713,232 |
| Investment properties | 288,080 | 288,080 |
| Interest in associates | 258,386 | 260,514 |
| Property development expenditure | 12,286 | 12,286 |
| Deferred tax assets | 1,574 | 1,910 |
| | <u>1,296,581</u> | <u>1,276,022</u> |
| Current assets | | |
| Inventories | 5,624 | 6,559 |
| Trade and other receivables, prepayments and deposits | 34,052 | 33,966 |
| Tax recoverable | 5,622 | 5,046 |
| Cash and bank balances | 127,954 | 142,768 |
| | <u>173,252</u> | <u>188,339</u> |
| Total assets | <u>1,469,833</u> | <u>1,464,361</u> |
| EQUITY | | |
| Capital and reserves | | |
| Share capital | 544,501 | 440,000 |
| Reserves | 523,883 | 608,751 |
| Total equity attributable to shareholders of the Company | <u>1,068,384</u> | <u>1,048,751</u> |
| Non-controlling interests | 114,735 | 113,868 |
| Total equity | <u>1,183,119</u> | <u>1,162,619</u> |
| LIABILITIES | | |
| Non-current liabilities | | |
| Retirement benefits | 22,102 | 21,535 |
| Deferred tax liabilities | 15,566 | 14,440 |
| | <u>37,668</u> | <u>35,975</u> |
| Current liabilities | | |
| Trade and other payables and accruals | 75,700 | 90,735 |
| Short-term borrowings | 172,765 | 174,469 |
| Current tax liabilities | 581 | 563 |
| | <u>249,046</u> | <u>265,767</u> |
| Total liabilities | <u>286,714</u> | <u>301,742</u> |
| Total equity and liabilities | <u>1,469,833</u> | <u>1,464,361</u> |
| Net Assets per Ordinary Share (RM) Attributable to Shareholders of the Company | 2.43 | 2.38 |

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016)

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**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 3 months ended 31 March 2017

| <i>All figures in RM'000</i> | <u>Attributable to Shareholders of the Company</u> | | | | Total equity attributable to shareholders of the Company | Non-controlling interests | Total equity |
|--|--|------------------|---------------------------------|----------------------|---|------------------------------|-----------------|
| | Share capital | Share premium | Exchange Translation Reserve | Retained earnings | | | |
| | ← Non-distributable → | | | ← Distributable → | | | |
| Balance at 1 January 2016 | 440,000 | 104,501 | - | 487,364 | 1,031,865 | 108,044 | 1,139,909 |
| Net profit for the period | - | - | - | 18,932 | 18,932 | 2,337 | 21,269 |
| Other comprehensive income | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | 18,932 | 18,932 | 2,337 | 21,269 |
| Balance at 31 March 2016 | 440,000 | 104,501 | - | 506,296 | 1,050,797 | 110,381 | 1,161,178 |
| Balance at 1 January 2017 | 440,000 | 104,501 | (1,859) | 506,109 | 1,048,751 | 113,868 | 1,162,619 |
| Net profit for the period | - | - | - | 19,403 | 19,403 | 867 | 20,270 |
| Other comprehensive income | - | - | 230 | - | 230 | - | 230 |
| Total comprehensive income for the period | - | - | 230 | 19,403 | 19,633 | 867 | 20,500 |
| Transfer pursuant to Companies Act 2016 (note a) | 104,501 | (104,501) | - | - | - | - | - |
| Balance at 31 March 2017 | 544,501 | - | (1,629) | 525,512 | 1,068,384 | 114,735 | 1,183,119 |

Note a

Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, during the period, the Company transferred the credit standing in the share premium account of RM104.501 million to the share capital account pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any members of the Company as a result of this transition.

(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 2016)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the 3 months ended 31 March 2017

| | 31.3.2017 RM'000 | 31.3.2016 RM'000 |
|--|---------------------|---------------------|
| Profit before tax | 28,253 | 30,313 |
| Adjustments for non-cash flow:- | | |
| Non-cash items | 17,228 | 22,020 |
| Non-operating items | (112) | (256) |
| Operating profit before changes in working capital | 45,369 | 52,077 |
| Changes in working capital | | |
| Net change in current assets | 849 | (3,041) |
| Net change in current liabilities | (13,830) | (18,715) |
| Cash generated from operations | 32,388 | 30,321 |
| Income taxes paid | (7,079) | (5,469) |
| Retirement benefits paid | (34) | (69) |
| Net cash inflow from operating activities | 25,275 | 24,783 |
| Investing activities | | |
| Interest income received | 940 | 881 |
| Purchase of property, plant and equipment | (41,000) | (3,245) |
| Additions to investment properties | - | (82) |
| Short-term bank deposits with original maturities over 3 months | 36,200 | - |
| Net cash outflow from investing activities | (3,860) | (2,446) |
| Financing activities | | |
| Drawdown of borrowings | 799 | 25,122 |
| Interest expense paid | (828) | (625) |
| Advances to associates | - | (24,484) |
| Net cash (outflow)/inflow from financing activities | (29) | 13 |
| Net increase in cash & cash equivalents | 21,386 | 22,350 |
| Cash & cash equivalents at beginning of the year | 96,328 | 97,200 |
| Cash & cash equivalents at end of financial period | 117,714 | 119,550 |
| Short-term bank deposits with original maturities over 3 months | 10,240 | - |
| Cash and bank balances in the statement of financial position | 127,954 | 119,550 |

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2016)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017

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 2016. These condensed consolidated interim financial statements also comply with IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board ("IASB").

Except as disclosed 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 2016.

The Group has adopted the following amendments to Malaysian Financial Reporting Standards ("MFRSs") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2017.

| | |
|------------------------|--|
| Amendments to MFRS 12 | Disclosure of Interests in Other Entities |
| Amendments to MFRS 107 | Disclosure Initiative |
| Amendments to MFRS 112 | Recognition of Deferred Tax Assets for Unrealised Losses |

The adoption of the above amendments to MFRSs has no significant impact on the financial statements or position of the Group.

A1.1 MFRS and Amendments Issued But Not Yet Effective

The Group has not applied the following new and amended MFRSs and interpretations that have been issued but are not yet effective. None of these are expected to have a significant effect on the financial statements or position of the Group.

| | | Effective for annual periods beginning on or after |
|------------------------|--|--|
| Amendments to MFRS 2 | Classification and Measurement of Share-based Payment Transactions | 1 January 2018 |
| Amendments to MFRS 15 | Clarifications to Revenue from Contracts with Customers | 1 January 2018 |
| Amendments to MFRS 128 | Investments in Associates and Joint Ventures | 1 January 2018 |
| Amendments to MFRS 140 | Transfers of Investment Property | 1 January 2018 |
| MFRS 9 | Financial Instruments (IFRS 9 issued by IASB in July 2014) | 1 January 2018 |
| MFRS 15 | Revenue from Contracts with Customers | 1 January 2018 |
| IC Interpretation 22 | Foreign Currency Transactions and Advance Consideration | 1 January 2018 |
| MFRS 16 | Leases | 1 January 2019 |

In addition to the above, MASB has also issued the amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, which are effective from annual periods beginning on or after 1 January 2016. However, on 31 December 2015, MASB announced the deferment of the mandatory effective date of these amendments. The Group will apply these amendments when they become applicable.

A2 Seasonal or Cyclical Factors

The business operations of the Group have not been materially affected by seasonal or cyclical factors during the financial period ended 31 March 2017.

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NOTES PURSUANT TO MFRS 134

A3 Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the financial period ended 31 March 2017.

A4 Material Changes in Estimates

There were no changes in estimates of amounts reported in prior interim periods or changes in estimates of amounts reported in prior financial years, which have a material effect on the financial statements for the first quarter ended 31 March 2017.

A5 Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period ended 31 March 2017.

A6 Dividends Paid

There was no dividend paid during the financial period ended 31 March 2017.

A7 Segmental Reporting

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

| For the period ended 31 March 2017 (All figures in RM'000) | Hotels & Resorts | Investment Properties | Others | Inter-segment Elimination | Consolidated Total |
|---|------------------|-----------------------|--------|---------------------------|--------------------|
| Segment Revenue | | | | | |
| Revenue from external customers | 122,932 | 6,329 | 875 | - | 130,136 |
| Inter-segment revenue | - | 552 | 738 | (1,290) | - |
| Total revenue | 122,932 | 6,881 | 1,613 | (1,290) | 130,136 |
| Segment Results | | | | | |
| Operating profit | 22,592 | 4,333 | 444 | (761) | 26,608 |
| Interest expense | (1,279) | - | (827) | 1,278 | (828) |
| Interest income | 2,212 | 95 | 20 | (1,387) | 940 |
| Share of results of associated companies | 360 | 1,173 | - | - | 1,533 |
| Profit before tax | 23,885 | 5,601 | (363) | (870) | 28,253 |

| As at 31 March 2017 (All figures in RM'000) | Hotels & Resorts | Investment Properties | Others | Inter-segment Elimination | Consolidated Total |
|--|------------------|-----------------------|--------|---------------------------|--------------------|
| Segment assets | 1,226,298 | 313,769 | 13,918 | (342,538) | 1,211,447 |
| Interest in associates | 15,790 | 242,596 | - | - | 258,386 |
| Total assets | 1,242,088 | 556,365 | 13,918 | (342,538) | 1,469,833 |

A8 Material Events Subsequent to the End of the Current Financial Period

In the opinion of the Directors, there was no item or event of a material or unusual nature which has occurred between 31 March 2017 and the date of this report that would materially affect the results of the Group for the financial period ended 31 March 2017.

A9 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2017.

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 2016 to the date of this report.

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NOTES PURSUANT TO MFRS 134

A11 Capital Commitments

Capital commitments for property, plant and equipment and investment properties not provided for as at 31 March 2017 are as follows:-

| | RM'000 |
|-----------------------------------|--------|
| Authorised and contracted for | 52,418 |
| Authorised but not contracted for | 38,735 |
| | 91,153 |

A12 Related Party Transactions

3 months ended 31.3.2017

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 4,412

Transactions with corporations in which Mdm Kuok Oon Kwong, 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, Chemquest Sdn Bhd and Southern Marina Development Sdn Bhd 673

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

B1 Review of Group Results 1st Quarter 2017 vs 1st Quarter 2016

In the first quarter to 31 March 2017, Group revenue fell by 4% to RM130.136 million from RM135.265 million for the same quarter in 2016, primarily reflecting a decline in revenue at Shangri-La Hotel Kuala Lumpur and Hotel Jen Penang as a result of major renovations.

Net profit attributable to shareholders for the quarter, however, rose by 2% to RM19.403 million from RM18.932 million in 2016, mainly due to a significantly lower net unrealised foreign exchange translation loss of RM1.388 million on the Group's US dollar loans to its associates, versus a net loss of RM9.186 million the previous year.

This, along with a reduced tax expense and lower non-controlling interests helped to offset the weaker contributions from Shangri-La Hotel Kuala Lumpur and Hotel Jen Penang, as well as from the Group's associated companies in Myanmar.

During the quarter, revenue from Shangri-La Hotel Kuala Lumpur was down by 10% to RM40.366 million, with a lower performance by its food and beverage operations as the ballroom, function rooms and all-day dining restaurant remained closed for major upgrade in the first two months of 2017. Pre-tax profit of the hotel was RM6.736 million, a decrease of 34% against the prior year's profit. Occupancy of the hotel for the quarter was 70%.

At Hotel Jen Penang, the impact of its ongoing phased renovation of all guestrooms led to a reduction in occupancy from 57% in the first quarter 2016 to 51%, with revenue falling by 9% to RM6.318 million. The hotel reported a pre-tax loss of RM3.034 million in the first quarter 2017.

Revenue for Rasa Ria Resort slipped by 4% to RM34.895 million in the first three months of 2017, following a drop in both food and beverage sales and in the average room rate. The resort's pre-tax profit was RM11.288 million, 12% lower than in the first quarter 2016. Occupancy at the resort was 82%, compared to 74% in 2016.

The overall revenue of Rasa Sayang Resort showed a 2% improvement over the first quarter 2016 to RM23.881 million, mainly driven by a good growth in food and beverage business. The resort achieved a pre-tax profit of RM7.093 million, 9% better than in 2016. Occupancy at the resort for the quarter remained flat at 84%.

Golden Sands Resort saw revenue rise by 5% to RM15.939 million, supported by a higher occupancy of 83%, compared to 80% for the first quarter 2016. The resort's pre-tax profit of RM4.639 million was comparable to that in the same quarter last year.

The Group's investment properties in Kuala Lumpur posted a higher combined rental revenue of RM6.881 million, and pre-tax profit was up by 10% from the first quarter 2016 to RM4.428 million. Growth was helped by improved rental rates at UBN Tower, as well as by the receipt of a rebate on property assessment payments made in respect of prior years.

In the first quarter ended 31 March 2017, the Group's share of profits from its associates declined to RM1.533 million from RM3.466 million for the corresponding quarter in 2016, reflecting a weaker performance by Sule Shangri-La Yangon, as well as a negative contribution from Sule Square, the Group's associate hotel and commercial complex in Yangon respectively.

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

B2 Comparison of Group Results 1st Quarter 2017 vs 4th Quarter 2016

The Group's revenue for the first quarter ended 31 March 2017 was RM130.136 million, up 9% from RM119.462 million in the fourth quarter ended 31 December 2016. In tandem, Group pre-tax profit for the first quarter 2017 rose to RM28.253 million, compared with RM12.196 million for the fourth quarter 2016.

The first quarter results were lifted mainly by strong performances by Rasa Ria Resort and Rasa Sayang Resort. This was further boosted by the Group's share of profits of RM1.533 million from associated companies, as compared to its share of losses of RM5.837 million in the fourth quarter 2016, which had included a net fair value loss of RM7.730 million in respect of the investment properties held by the Group's associates.

In the first quarter 2017, Rasa Ria Resort increased revenue by 28% to RM34.895 million, on the back of a robust growth in occupancy from 62% for the fourth quarter 2016 to 82%. Revenue at Rasa Sayang Resort rose by 10% from the fourth quarter 2016 to RM23.881 million, benefiting from an improvement in occupancy to 84% from 74%. Likewise, Golden Sands Resort had a higher occupancy of 83% versus 79%, leading to a growth of 3% in revenue over the fourth quarter 2016.

Additionally, Shangri-La Hotel Kuala Lumpur was able to generate a small revenue increase of 1% to RM40.366 million, compared with the 2016 fourth quarter, following the completion of the renovation programme for its banqueting facilities and all-day dining restaurant at the end of February 2017. Hotel Jen Penang posted a decline in revenue against the fourth quarter 2016, with business levels held back by the disruptions caused by the major renovation work to all its guestrooms.

The combined rental revenue from the Group's investment properties in Kuala Lumpur of RM6.881 million was slightly higher than RM6.801 million recorded in the fourth quarter 2016.

B3 Prospects for 2017

Moving ahead, the Group's hotel businesses as a whole should continue to benefit from the encouraging trends in leisure travel and from some recovery in corporate demand. In late February 2017, Shangri-La Hotel Kuala Lumpur completed the programme to extensively upgrade its ballroom, function rooms and all-day dining restaurant, which started in November 2016. The newly renovated facilities are expected to make a positive impact on the hotel's overall revenue and profit in 2017.

The major renovation of the guestrooms currently in progress at Hotel Jen Penang will have a dampening effect on the operating performance of the hotel. The renovation programme, which began in July 2016 is scheduled for full completion by the middle of 2017.

Occupancy levels at UBN Tower should continue to hold up well as the prime office rental market in Kuala Lumpur is likely to be generally stable through 2017, while the performance of UBN Apartments will remain subdued in a challenging operating environment.

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

B4 Variance on Profit Forecast/Profit Guarantee
Not applicable.

B5 Taxation

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

| | 3 months ended | | 3 months ended | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 31.3.2017 RM'000 | 31.3.2016 RM'000 | 31.3.2017 RM'000 | 31.3.2016 RM'000 |
| Current taxation | | | | |
| - Company and subsidiaries | 6,521 | 5,785 | 6,521 | 5,785 |
| Deferred taxation | 1,462 | 3,834 | 1,462 | 3,834 |
| (Over)/under provision in respect of prior years | | | | |
| - Company and subsidiaries | - | (575) | - | (575) |
| | 7,983 | 9,044 | 7,983 | 9,044 |

The effective tax rate on the Group's profit before tax for the first three months to 31 March 2017 was 28%, compared to the statutory tax rate of 24%. This rate was higher mainly because the net losses incurred by some subsidiaries during the quarter cannot be offset against the taxable profits of the other subsidiaries, and that the net unrealised foreign currency translation loss on the Group's US dollar loans to its associates is not tax deductible.

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 31 March 2017 were as follows:-

| | Short Term RM'000 | Long Term RM'000 | Total RM'000 |
|-----------|----------------------|---------------------|-----------------|
| Secured | - | - | - |
| Unsecured | 172,765* | - | 172,765 |
| | 172,765* | - | 172,765 |

* Amounts drawdown comprised HKD42.8 million and USD15.553 million from two offshore banks in Labuan, and USD18.0 million from a local bank.

There were no debt securities in the financial period ended 31 March 2017.

B8 Financial Instruments

Derivatives

There were no outstanding derivative financial instruments as at 31 March 2017.

Gains/losses arising from fair value changes of financial liabilities

There were no gains/losses arising from fair value changes of financial liabilities for the financial period ended 31 March 2017.

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
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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

No interim dividend has been declared for the financial period ended 31 March 2017.

B11 Earnings per Share

The basic earnings per ordinary share for the three (3) months ended 31 March 2017 have been calculated as follows:-

| | 3 months ended | | 3 months ended | |
|---|----------------|-----------|----------------|-----------|
| | 31.3.2017 | 31.3.2016 | 31.3.2017 | 31.3.2016 |
| Profit attributable to shareholders of the Company (RM'000) | 19,403 | 18,932 | 19,403 | 18,932 |
| No. of ordinary shares in issue ('000) | 440,000 | 440,000 | 440,000 | 440,000 |
| Basic Earnings Per Share (<i>sen</i>) | 4.41 | 4.30 | 4.41 | 4.30 |

Diluted Earnings per Share

Not applicable.

B12 Realised and Unrealised Profits/Losses

| | As at 31.3.2017 RM'000 | As at 31.12.2016 RM'000 |
|--|------------------------------|-------------------------------|
| Total retained profits of the Company and its subsidiaries | | |
| - Realised | 557,260 | 534,802 |
| - Unrealised | 140,134 | 142,985 |
| | 697,394 | 677,787 |
| Total share of accumulated losses in associated companies | | |
| - Realised | (29,636) | (31,169) |
| - Unrealised | 12,872 | 12,872 |
| | 680,630 | 659,490 |
| Add : Consolidation adjustments | (155,118) | (153,381) |
| Total Group retained profits | 525,512 | 506,109 |

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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 | | 3 months ended | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31.3.2017 RM'000 | 31.3.2016 RM'000 | 31.3.2017 RM'000 | 31.3.2016 RM'000 |
| Net profit for the period is arrived at after charging:- | | | | |
| Interest expense | (828) | (625) | (828) | (625) |
| Depreciation | (15,120) | (15,614) | (15,120) | (15,614) |
| Foreign exchange loss | (3,891) | (23,380) | (3,891) | (23,380) |
| Allowance for doubtful debts - trade receivables | - | (128) | - | (128) |
| and after crediting:- | | | | |
| Interest income | 940 | 881 | 940 | 881 |
| Foreign exchange gain | 2,503 | 14,194 | 2,503 | 14,194 |
| Write back of allowance for doubtful debts - trade receivables | 58 | - | 58 | - |

Other than the above which have been included in the statement of comprehensive income, there were no impairment of assets, gain or loss on disposal of quoted or unquoted investments or properties and exceptional items for the financial period ended 31 March 2017.

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 2016.

By Order of the Board
Datin Rozina Mohd Amin
Company Secretary

Kuala Lumpur
18 May 2017