

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Revenue	140,141	119,462	550,565	508,559
Operating profit	21,075	17,687	114,381	105,713
Interest expense	(982)	(775)	(3,767)	(2,697)
Interest income	1,265	1,121	4,279	4,157
Share of results of associated companies	(6,066)	(5,837)	(5,233)	(896)
Profit before tax	15,292	12,196	109,660	106,277
Tax expense	(1,898)	2,323	(27,640)	(21,293)
Profit for the period/year	13,394	14,519	82,020	84,984
<u>Attributable to:</u>				
Shareholders of the Company	9,523	14,321	72,198	79,243
Non-controlling interests	3,871	198	9,822	5,741
	13,394	14,519	82,020	84,984
Basic Earnings per Ordinary Share (sen)	2.16	3.25	16.41	18.01
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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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year	13,394	14,519	82,020	84,984
<u>Other comprehensive income/(expense)</u>				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of financial statements of overseas associates	950	(1,859)	1,906	(1,859)
<i>Item that will not be reclassified to profit or loss:</i>				
Remeasurements of defined benefit retirement obligations, net of tax	-	1,185	-	1,185
Total comprehensive income for the period/year	14,344	13,845	83,926	84,310
<u>Attributable to:</u>				
Shareholders of the Company	10,473	13,564	74,104	78,486
Non-controlling interests	3,871	281	9,822	5,824
	14,344	13,845	83,926	84,310

(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)

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ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	734,645	713,232
Investment properties	288,180	288,080
Interest in associates	218,657	260,514
Property development expenditure	12,286	12,286
Deferred tax assets	9,035	1,910
	<u>1,262,803</u>	<u>1,276,022</u>
Current assets		
Inventories	5,343	6,559
Trade and other receivables, prepayments and deposits	35,201	33,966
Tax recoverable	6,596	5,046
Cash and bank balances	175,555	142,768
	<u>222,695</u>	<u>188,339</u>
Total assets	<u>1,485,498</u>	<u>1,464,361</u>
EQUITY		
Capital and reserves		
Share capital	544,501	440,000
Reserves	516,754	608,751
Total equity attributable to shareholders of the Company	<u>1,061,255</u>	<u>1,048,751</u>
Non-controlling interests	123,690	113,868
Total equity	<u>1,184,945</u>	<u>1,162,619</u>
LIABILITIES		
Non-current liabilities		
Retirement benefits	23,152	21,535
Deferred tax liabilities	19,884	14,440
	<u>43,036</u>	<u>35,975</u>
Current liabilities		
Trade and other payables and accruals	106,060	90,735
Short-term borrowings	149,262	174,469
Current tax liabilities	2,195	563
Dividend payable	-	-
	<u>257,517</u>	<u>265,767</u>
Total liabilities	<u>300,553</u>	<u>301,742</u>
Total equity and liabilities	<u>1,485,498</u>	<u>1,464,361</u>
Net Assets per Ordinary Share (RM)	2.41	2.38
Attributable to Shareholders of the Company		

(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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 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 year	-	-	-	79,243	79,243	5,741	84,984
Remeasurements of net defined benefit retirement obligations	-	-	-	1,102	1,102	83	1,185
Foreign currency translation differences	-	-	(1,859)	-	(1,859)	-	(1,859)
Total comprehensive income/(expense) for the year	-	-	(1,859)	80,345	78,486	5,824	84,310
Dividends							
- Final dividend for the financial year ended 31.12.2015 paid on 30.6.2016	-	-	-	(48,400)	(48,400)	-	(48,400)
- Interim dividend for the financial year ended 31.12.2016 paid on 17.11.2016	-	-	-	(13,200)	(13,200)	-	(13,200)
Balance at 31 December 2016	440,000	104,501	(1,859)	506,109	1,048,751	113,868	1,162,619
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 year	-	-	-	72,198	72,198	9,822	82,020
Foreign currency translation differences	-	-	1,906	-	1,906	-	1,906
Total comprehensive income for the year	-	-	1,906	72,198	74,104	9,822	83,926
Transfer pursuant to Companies Act 2016 (note a)	104,501	(104,501)	-	-	-	-	-
Dividends							
- Final dividend for the financial year ended 31.12.2016 paid on 30.6.2017	-	-	-	(48,400)	(48,400)	-	(48,400)
- Interim dividend for the financial year ended 31.12.2017 paid on 14.11.2017	-	-	-	(13,200)	(13,200)	-	(13,200)
Balance at 31 December 2017	544,501	-	47	516,707	1,061,255	123,690	1,184,945

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 year, 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
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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2017

	31.12.2017	31.12.2016
	RM'000	RM'000
Profit before tax	109,660	106,277
Adjustments for non-cash flow:-		
Non-cash items	83,034	66,669
Non-operating items	(512)	(1,460)
Operating profit before changes in working capital	192,182	171,486
Changes in working capital		
Net change in current assets	174	(100)
Net change in current liabilities	16,530	(2,904)
Cash generated from operations	208,886	168,482
Income taxes paid	(29,239)	(23,588)
Retirement benefits paid	(802)	(497)
Net cash inflow from operating activities	178,845	144,397
Investing activities		
Interest income received	4,279	4,157
Purchase of property, plant and equipment	(88,652)	(40,588)
Additions to investment properties	-	(82)
Short-term bank deposits with original maturities over 3 months	1,600	(46,440)
Net cash outflow from investing activities	(82,773)	(82,953)
Financing activities		
Dividends paid to shareholders of the Company	(61,600)	(61,600)
Dividend paid to non-controlling shareholder of a subsidiary	-	(700)
Drawdown of borrowings	3,302	27,165
Repayment of borrowings	(12,303)	-
Interest expense paid	(3,767)	(2,697)
Advances to an associate	-	(24,484)
Repayment of loan from an associate	12,683	-
Net cash outflow from financing activities	(61,685)	(62,316)
Net increase/(decrease) in cash & cash equivalents	34,387	(872)
Cash & cash equivalents at beginning of the year	96,328	97,200
Cash & cash equivalents at end of financial year	130,715	96,328
Short-term bank deposits with original maturities over 3 months	44,840	46,440
Cash and bank balances in the statement of financial position	175,555	142,768

(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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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").

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2016, except for the adoption of the amendments to Malaysian Financial Reporting Standards ("MFRSs") effective for the financial period beginning 1 January 2017 as follows:-

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 did not have any significant impact on the financial statements or position of the Group.

A1.1 New Standards, Amendments and Interpretation Effective in 2018

The following new standards, amendments to MFRSs and interpretation are effective for annual periods beginning on or after 1 January 2018, which are relevant to the Group's operations:-

Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 15	Clarifications to Revenue from Contracts with Customers
Amendments to MFRS 128	Investments in Associates and Joint Ventures
Amendments to MFRS 140	Transfers of Investment Property
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

With the exception of MFRS 9, none of the other new standards, amendments to MFRSs and interpretation effective in 2018 have any material effect on the Group's financial statements. The Group has not completed its detailed assessment of the impact of the new MFRS 9. Details of the impact of the adoption of MFRS 9 will be provided in the Announcement of the Group's first quarter 2018 results.

A1.2 New Standard, Amendments and Interpretation Issued But Not Yet Effective

The Malaysian Accounting Standards Board ("MASB") has issued a number of new standard, amendments to MFRSs and interpretation that are relevant to the Group's operations but are not yet effective. The Group will adopt the new standard, amendments to MFRSs and interpretation set out below from their effective dates.

		Effective for annual periods beginning on or after
MFRS 16	Leases	1 January 2019
Amendments to MFRS 3	Business Combinations	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 112	Income Taxes	1 January 2019
Amendments to MFRS 123	Borrowing Costs	1 January 2019
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
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NOTES PURSUANT TO MFRS 134

A1.2 New Standard, Amendments and Interpretation Issued But Not Yet Effective (cont'd)

The implications of these new standard, amendments to MFRSs and interpretation are currently under review. Based on a preliminary assessment, the Group has identified that the adoption of MFRS 16 may have a potential impact on the Group's consolidated financial statements. Other than MFRS 16, the rest of the amendments to MFRSs and interpretation are not expected to have a material effect.

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. Subsequently, MASB announced in December 2015 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 year ended 31 December 2017.

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 year ended 31 December 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 fourth quarter ended 31 December 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 year ended 31 December 2017.

A6 Dividends Paid

A final single tier dividend of 11% or 11 sen per share for the financial year ended 31 December 2016 amounting to RM48.400 million was paid on 30 June 2017. An interim single tier dividend of 3% or 3 sen per share amounting to RM13.200 million for the year ended 31 December 2017 was paid on 14 November 2017.

A7 Segmental Reporting

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

For the year ended 31 December 2017 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
<u>Segment Revenue</u>					
Revenue from external customers	521,469	25,168	3,928	-	550,565
Inter-segment revenue	49,550	2,231	2,838	(54,619)	-
Total revenue	571,019	27,399	6,766	(54,619)	550,565
<u>Segment Results</u>					
Operating profit	147,945	16,401	2,627	(52,592)	114,381
Interest expense	(6,179)	-	(3,764)	6,176	(3,767)
Interest income	10,467	381	91	(6,660)	4,279
Share of results of associated companies	(3,290)	(1,943)	-	-	(5,233)
Profit before tax	148,943	14,839	(1,046)	(53,076)	109,660

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NOTES PURSUANT TO MFRS 134

A7 Segmental Reporting (cont'd)

As at 31 December 2017 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment assets	1,322,921	312,960	14,495	(383,535)	1,266,841
Interest in associates	11,009	207,648	-	-	218,657
Total assets	1,333,930	520,608	14,495	(383,535)	1,485,498

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 December 2017 and the date of this report that would materially affect the results of the Group for the financial year ended 31 December 2017.

A9 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial year ended 31 December 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.

A11 Capital Commitments

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

	RM'000
Authorised and contracted for	7,444
Authorised but not contracted for	59,346
	66,790

A12 Related Party Transactions

12 months ended 31.12.2017
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	19,482
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Transactions with associates of the Group

Repayment of shareholders loan from an associated company of Madarac Corporation, the Group's wholly-owned subsidiary incorporated in the British Virgin Islands	12,683
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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

B1 Review of Group Results Full Year 2017 vs Full Year 2016

For the year to 31 December 2017, Group revenue increased by 8% to RM550.565 million from RM508.559 million in 2016, with higher contributions mostly from Rasa Ria Resort and Shangri-La Hotel Kuala Lumpur.

Group net profit attributable to shareholders for the full year 2017 was RM72.198 million, 9% lower than the profit of RM79.243 million reported for 2016. The decrease was mainly due to an unrealised net foreign exchange translation loss of RM9.641 million on the Group's US dollar loans to its associates in Myanmar, versus a net gain of RM4.308 million in 2016.

The Group's net profit for 2017 included a net non-operating charge of RM5.858 million in respect of the share of net fair value losses on the investment properties held through associates in Myanmar, as compared to a net charge of RM7.713 million the year before.

Excluding currency translation effects and non-operating items, Group net profit for 2017 increased by 6% to RM87.697 million from RM82.648 million in 2016, primarily driven by a significant growth in profit contributions from Rasa Ria Resort and Shangri-La Hotel Kuala Lumpur.

Supported by stronger visitor arrivals, Rasa Ria Resort saw occupancy grow to 74%, compared to 70% in 2016, with revenue up by 12% from the prior year to RM143.767 million. The resort closed the year with a pre-tax profit of RM44.932 million, 33% more than in 2016.

In the twelve months, revenue from Shangri-La Hotel Kuala Lumpur rose by 8% to RM186.657 million, on the back of a robust growth in food and beverage business, reflecting the positive benefits of the extensive renovations to its banqueting facilities and all-day dining restaurant which were completed at the end of February 2017. The hotel achieved a pre-tax profit of RM41.716 million, up 24% on 2016. Occupancy of the hotel for the year was 69%.

Rasa Sayang Resort also had a good year and increased its revenue by 7% to RM90.632 million, with pre-tax profit advancing by 31% to RM24.153 million. A healthy pick-up in leisure business helped lift the resort's occupancy to 77% from 75% the previous year.

At Golden Sands Resort, an improved average room rate along with higher food and beverage sales delivered a 2% growth in revenue to RM61.854 million, and pre-tax profit of RM16.103 million was slightly ahead of 2016. With steady leisure demand from the domestic sector, the resort maintained a high occupancy of 78% for 2017.

Revenue for Hotel Jen Penang grew by 18% during 2017 to RM33.275 million, boosted by a higher occupancy of 65% against 57% in 2016, with the phased renovation programme of all its guestrooms completed at the end of June 2017. Nevertheless, the hotel registered a pre-tax loss of RM4.048 million in 2017, on account of asset write-offs related to the renovation programme.

The combined rental revenue from the Group's investment properties in 2017 was broadly flat at RM27.399 million, while their pre-tax profit gained 4% to RM16.782 million, owing largely to the receipt of a rebate on property assessment payments made in respect of prior years.

For 2017, the Group's share of net losses from associates increased to RM5.233 million from RM0.896 million in 2016. This was attributable to the net fair value losses from the year-end revaluation of the Shangri-La Serviced Apartments and Sule Square in Yangon, coupled with a negative contribution from Sule Shangri-La Yangon due to poor market conditions.

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

B2 Comparison of Group Results 4th Quarter 2017 vs 3rd Quarter 2017

The Group's revenue for the fourth quarter ended 31 December 2017 was down by 11% to RM140.141 million from RM157.296 million in the third quarter ended 30 September 2017. Group net profit for the fourth quarter 2017 fell in tandem to RM9.523 million, compared with RM29.988 million in the third quarter 2017.

The fourth quarter financial results reflected lower performances by the Group's hotel businesses, as well as higher share of losses from associates arising from the net fair value losses recorded by the Shangri-La Serviced Apartments and Sule Square in Yangon, at the end of the quarter.

Occupancy at Rasa Ria Resort dropped to 64% from 79% in the third quarter 2017, leading to an overall 28% fall in revenue to RM31.371 million. Both Rasa Sayang Resort and Golden Sands Resort also posted revenue shortfalls against the 2017 third quarter, reflecting softer leisure demand. At Rasa Sayang Resort, occupancy decreased to 76% from 82% in the third quarter 2017, while Golden Sands Resort saw occupancy slip to 74% from 86%. Similarly, revenue from Shangri-La Hotel Kuala Lumpur declined by 3% from the third quarter 2017 in response to a lower occupancy of 69% versus 76%.

In contrast however, Hotel Jen Penang generated a revenue increase of 9% over the third quarter 2017, lifted mainly by a healthy growth in food and beverage business.

The Group's investment properties in Kuala Lumpur showed a small improvement in combined rental revenue to RM6.885 million, when compared to the third quarter 2017.

B3 Prospects for 2018

Overall business conditions for the Group's hotel operations remain positive. The Group's hotels and resorts should grow well during 2018 as they are well placed to capitalise on the ongoing encouraging trends in the leisure and corporate travel markets.

More specifically, Shangri-La Hotel Kuala Lumpur and Hotel Jen Penang are expected to show better operating results in 2018, supported by the continuing benefits from their newly renovated banqueting facilities and room product respectively.

For the Group's investment properties, the performance of UBN Tower is likely to remain relatively stable, while the outlook for UBN Apartments continues to be challenging.

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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/year under review is as follows:-

	3 months ended		12 months ended	
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Current taxation				
- Company and subsidiaries	10,062	4,412	31,185	23,662
Deferred taxation	(7,201)	(2,876)	(2,646)	2,561
(Over)/under provision in respect of prior years				
- Company and subsidiaries	(963)	(3,859)	(899)	(4,930)
	1,898	(2,323)	27,640	21,293

For the year ended 31 December 2017, the Group had an effective tax rate of 25%, which was higher than the statutory tax rate of 24%. This was because the net losses incurred by a subsidiary hotel company during 2017 cannot be offset against the taxable profits of other subsidiaries, and also due to the impact of the unrealised currency translation losses recorded in the year which are non-deductible for income tax purposes.

B6 Status of Corporate Proposals

There were no corporate proposals and unutilised proceeds raised from any corporate proposals as at the date of this report.

B7 Group Borrowings and Debt Securities

The Group's total borrowings as at 31 December 2017 were RM149.262 million, compared with RM174.469 million at 31 December 2016.

<i>(All figures in RM'000)</i>	As at 31 December 2017	As at 31 December 2016
<u>Secured</u>		
Short Term	-	-
Long Term	-	-
<u>Unsecured</u>		
Short Term	149,262 *	174,469 **
Long Term	-	-
Total	149,262	174,469

* Amounts drawdown as at 31 December 2017 comprised HKD42.8 million and USD13.9 million from two offshore banks in Labuan, and USD17.5 million from a local bank.

** Amounts drawdown as at 31 December 2016 comprised HKD42.8 million and USD15.373 million from two offshore banks in Labuan, and USD18.0 million from a local bank.

There were no debt securities in the financial year ended 31 December 2017.

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

B8 Financial Instruments

Derivatives

There were no outstanding derivative financial instruments as at 31 December 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 year ended 31 December 2017.

B9 Changes in Material Litigation

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

B10 Dividend

The Directors are recommending a final single tier dividend of 12 sen per share for the financial year ended 31 December 2017 (2016: final single tier dividend of 11 sen per share) for approval by shareholders at the forthcoming Annual General Meeting of the Company to be held on Thursday, 17 May 2018.

The proposed final single tier dividend of 12 sen per share, together with the interim single tier dividend of 3 sen per share paid on 14 November 2017, will give a total dividend of 15 sen per share for the financial year ended 31 December 2017 (2016: a total dividend of 14 sen per share, comprising an interim single tier of 3 sen per share and a final single tier of 11 sen per share). The proposed final single tier dividend of 12 sen per share, if approved at the Annual General Meeting will be paid on Monday, 2 July 2018.

NOTICE IS HEREBY GIVEN that the proposed final single tier dividend of 12 sen per share for the financial year ended 31 December 2017 will be payable to shareholders whose names appear on the Record of Depositors on Thursday, 7 June 2018.

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, 7 June 2018 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 financial year ended 31 December 2017 have been calculated as follows:-

	3 months ended		12 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit attributable to shareholders of the Company (RM'000)	9,523	14,321	72,198	79,243
No. of ordinary shares in issue ('000)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (sen)	2.16	3.25	16.41	18.01

Diluted Earnings per Share

Not applicable.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FORTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

B12 Notes to the Statement of Comprehensive Income

	3 months ended		12 months ended	
	31.12.2017 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2016 RM'000
Net profit for the period/year is arrived at after charging:-				
Interest expense	(982)	(775)	(3,767)	(2,697)
Depreciation	(16,009)	(14,792)	(62,893)	(61,007)
Foreign exchange loss	(10,327)	-	(25,888)	(8,387)
Allowance for doubtful debts - trade receivables	-	-	-	(144)
and after crediting:-				
Interest income	1,265	1,121	4,279	4,157
Foreign exchange gain	6,649	8,343	16,431	12,970
Write back of allowance for doubtful debts - trade receivables	67	40	193	-

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 year ended 31 December 2017.

B13 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
27 February 2018