

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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	
	31.3.2018	31.3.2017	31.3.2018	31.3.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	151,484	130,136	151,484	130,136
Operating profit	38,634	26,608	38,634	26,608
Interest expense	(1,019)	(828)	(1,019)	(828)
Interest income	1,384	940	1,384	940
Share of results of associated companies	286	1,533	286	1,533
Profit before tax	39,285	28,253	39,285	28,253
Tax expense	(10,768)	(7,983)	(10,768)	(7,983)
Profit for the period	28,517	20,270	28,517	20,270
<u>Attributable to:</u>				
Shareholders of the Company	25,545	19,403	25,545	19,403
Non-controlling interests	2,972	867	2,972	867
	28,517	20,270	28,517	20,270
Basic Earnings per Ordinary Share (sen)	5.81	4.41	5.81	4.41
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 2017)

NA - not applicable

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months ended		3 months ended	
	31.3.2018	31.3.2017	31.3.2018	31.3.2017
	RM'000	RM'000	RM'000	RM'000
Profit for the period	28,517	20,270	28,517	20,270
<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	906	230	906	230
Total comprehensive income for the period	29,423	20,500	29,423	20,500
<u>Attributable to:</u>				
Shareholders of the Company	26,451	19,633	26,451	19,633
Non-controlling interests	2,972	867	2,972	867
	29,423	20,500	29,423	20,500

(The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017)

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.3.2018 RM'000	As at 31.12.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	726,111	734,645
Investment properties	288,180	288,180
Interest in associates	208,974	218,657
Property development expenditure	12,286	12,286
Deferred tax assets	8,904	9,035
	<u>1,244,455</u>	<u>1,262,803</u>
Current assets		
Inventories	4,835	5,343
Trade and other receivables, prepayments and deposits	32,387	35,201
Tax recoverable	4,104	6,596
Short-term fund placements	185,460	-
Cash and bank balances	20,424	175,555
	<u>247,210</u>	<u>222,695</u>
Total assets	<u>1,491,665</u>	<u>1,485,498</u>
EQUITY		
Capital and reserves		
Share capital	544,501	544,501
Reserves	543,205	516,754
Total equity attributable to shareholders of the Company	<u>1,087,706</u>	<u>1,061,255</u>
Non-controlling interests	126,662	123,690
Total equity	<u>1,214,368</u>	<u>1,184,945</u>
LIABILITIES		
Non-current liabilities		
Retirement benefits	23,716	23,152
Deferred tax liabilities	20,120	19,884
	<u>43,836</u>	<u>43,036</u>
Current liabilities		
Trade and other payables and accruals	85,596	106,060
Short-term borrowings	143,407	149,262
Current tax liabilities	4,458	2,195
	<u>233,461</u>	<u>257,517</u>
Total liabilities	<u>277,297</u>	<u>300,553</u>
Total equity and liabilities	<u>1,491,665</u>	<u>1,485,498</u>
Net Assets per Ordinary Share (RM) Attributable to Shareholders of the Company	2.47	2.41

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017)

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 3 months ended 31 March 2018

<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 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
Foreign currency translation differences	-	-	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
Balance at 1 January 2018	544,501	-	47	516,707	1,061,255	123,690	1,184,945
Net profit for the period	-	-	-	25,545	25,545	2,972	28,517
Foreign currency translation differences	-	-	906	-	906	-	906
Total comprehensive income for the period	-	-	906	25,545	26,451	2,972	29,423
Balance at 31 March 2018	544,501	-	953	542,252	1,087,706	126,662	1,214,368

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 2017, 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 2017)

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the 3 months ended 31 March 2018

	31.3.2018	31.3.2017
	RM'000	RM'000
Profit before tax	39,285	28,253
Adjustments for non-cash flow:-		
Non-cash items	20,297	17,228
Non-operating items	(365)	(112)
Operating profit before changes in working capital	59,217	45,369
Changes in working capital		
Net change in current assets	3,322	849
Net change in current liabilities	(20,464)	(13,830)
Cash generated from operations	42,075	32,388
Income taxes paid	(5,646)	(7,079)
Retirement benefits paid	(59)	(34)
Net cash inflow from operating activities	36,370	25,275
Investing activities		
Interest income received	1,384	940
Purchase of property, plant and equipment	(7,463)	(41,000)
Short-term bank deposits with original maturities over 3 months	44,840	36,200
Net cash inflow/(outflow) from investing activities	38,761	(3,860)
Financing activities		
Drawdown of borrowings	1,057	799
Interest expense paid	(1,019)	(828)
Net cash inflow/(outflow) from financing activities	38	(29)
Net increase in cash & cash equivalents	75,169	21,386
Cash & cash equivalents at beginning of the year	130,715	96,328
Cash & cash equivalents at end of financial period	205,884	117,714
Short-term bank deposits with original maturities over 3 months	-	10,240
Short-term fund placements and cash and bank balances in the statement of financial position	205,884	127,954

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2017)

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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 2017. 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 2017, except for the adoption of the following new standards, amendments to Malaysian Financial Reporting Standards (“MFRSs”) and interpretation, which are effective from 1 January 2018.

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers
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
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

The adoption of the above new standards, amendments to MFRSs and interpretation did not have any significant impact on the financial statements or position of the Group.

A1.1 New Standards, Amendments and Interpretations Issued But Not Yet Effective

A number of new standards, amendments to MFRSs and interpretations, which are effective for accounting periods after 2018, have been issued by the Malaysian Accounting Standards Board (“MASB”) and relevant to the Group’s operations. These will be adopted by the Group from their effective dates as set out below.

		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 119	Plan Amendment, Curtailment or Settlement	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
Amendments to MFRS 2	Share-Based Payment	1 January 2020
Amendments to MFRS 3	Business Combinations	1 January 2020
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134	Interim Financial Reporting	1 January 2020
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendments to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2020

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

NOTES PURSUANT TO MFRS 134

A1.1 New Standards, Amendments and Interpretations Issued But Not Yet Effective (cont'd)

The implications of the new standards, amendments to MFRSs and interpretations are currently under review. Based on the assessments undertaken to date, the Group has identified that the adoption of MFRS 16 may have a potential impact on the Group's consolidated financial statements. Apart from MFRS 16, the rest of the amendments to MFRSs and interpretations are not expected to have a material effect on the Group.

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.

MFRS 16 – Leases (effective 1 January 2019)

MFRS 16 eliminates the distinction between operating and finance leases, and introduces a single lessee accounting model. The new lease model requires a lessee to recognise in the statement of financial position a right-of-use asset (the right to use the underlying leased asset) and a lease liability (the obligation to pay rentals), unless the underlying asset has a low value or the lease term is 12 months or less.

The accounting for lessors will not change significantly. MFRS 16 will affect primarily the accounting for the Group's operating leases.

The Group continues to assess the impact of MFRS 16 and anticipates concluding its detailed review before the end of this financial year.

A2 Revenue

The disaggregation of the Group's revenue by major goods and service lines is set out below.

For the period ended 31 March 2018 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Total
<u>Major Goods/Service Lines</u>				
Revenue from rooms	84,084	-	-	84,084
Food and beverage sales	53,793	-	-	53,793
Rendering of ancillary services	5,389	-	-	5,389
Golf operations	1,091	-	-	1,091
Property rentals	-	6,194	-	6,194
Laundry services	-	-	933	933
Total revenue	144,357	6,194	933	151,484

For the period ended 31 March 2017 <i>(All figures in RM'000)</i>	Hotels & Resorts	Investment Properties	Others	Total
<u>Major Goods/Service Lines</u>				
Revenue from rooms	73,527	-	-	73,527
Food and beverage sales	42,929	-	-	42,929
Rendering of ancillary services	5,414	-	-	5,414
Golf operations	1,062	-	-	1,062
Property rentals	-	6,329	-	6,329
Laundry services	-	-	875	875
Total revenue	122,932	6,329	875	130,136

**ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

NOTES PURSUANT TO MFRS 134

A3 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 2018.

A4 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 2018.

A5 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 2018.

A6 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 2018.

A7 Dividends Paid

There was no dividend paid during the financial period ended 31 March 2018.

A8 Segmental Reporting

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

For the period ended 31 March 2018 (All figures in RM'000)	Hotels & Resorts	Investment Properties	Others	Inter-segment Elimination	Consolidated Total
Segment Revenue					
Revenue from external customers	144,357	6,194	933	-	151,484
Inter-segment revenue	-	575	780	(1,355)	-
Total revenue	144,357	6,769	1,713	(1,355)	151,484
Segment Results					
Operating profit	34,148	4,104	1,143	(761)	38,634
Interest expense	(1,717)	-	(1,018)	1,716	(1,019)
Interest income	2,970	103	27	(1,716)	1,384
Share of results of associated companies	(599)	885	-	-	286
Profit before tax	34,802	5,092	152	(761)	39,285
As at 31 March 2018 (All figures in RM'000)					
Segment assets	1,154,934	313,919	14,651	(200,813)	1,282,691
Interest in associates	9,913	199,061	-	-	208,974
Total assets	1,164,847	512,980	14,651	(200,813)	1,491,665

A9 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 2018 and the date of this report that would materially affect the results of the Group for the financial period ended 31 March 2018.

A10 Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2018.

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

NOTES PURSUANT TO MFRS 134

A11 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 2017 to the date of this report.

A12 Capital Commitments

Capital commitments for property, plant and equipment and investment properties not provided for as at 31 March 2018 are as follows:-

	RM'000
Authorised and contracted for	10,660
Authorised but not contracted for	51,082
	<u>61,742</u>

A13 Related Party Transactions

3 months ended 31.3.2018

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

5,425

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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

B1 Review of Group Results 1st Quarter 2018 vs 1st Quarter 2017

During the three months to 31 March 2018, Group revenue grew by 16% to RM151.484 million from RM130.136 million in the same quarter of 2017. Group net profit attributable to shareholders for the period increased in tandem by 32% to RM25.545 million, compared with RM19.403 million in the previous year.

The overall financial results for the first quarter 2018 benefited from the improved operating performances across the Group's hotel businesses as a result of better occupancies and average room rates.

In the period, revenue at Rasa Ria Resort rose by 16% to RM40.631 million, buoyed by a robust uplift in the average room rate, with pre-tax profit growing by 31% from the first quarter 2017 to RM14.836 million. The resort maintained a high occupancy of 81% for the quarter.

Shangri-La Hotel Kuala Lumpur delivered a 24% increase in revenue over the first quarter 2017 to RM50.073 million, with growth contributed mainly from stronger food and beverage business. The hotel ended the quarter with a pre-tax profit of RM13.025 million, up 93% on the first quarter 2017. Occupancy of the hotel was 75%, versus 70% the previous year

On the back of good leisure demand, Rasa Sayang Resort grew its occupancy to 86% from 84% in the first three months of 2017, leading to a 10% improvement in revenue to RM26.292 million. The resort's pre-tax profit of RM8.645 million was 22% ahead of the first quarter 2017.

Revenue from Golden Sands Resort for the first quarter 2018 remained flat at RM15.885 million, with increased rooms revenue being offset by a drop in food and beverage sales. Despite this, the resort achieved a higher pre-tax profit of RM4.916 million for the first quarter 2018 due to a reduction in operating expenses. Occupancy at the resort edged up to 84% from 83% in the prior year period.

At Hotel Jen Penang, a rebound in corporate business resulted in a rise in occupancy to 75% from 51% in the first quarter last year when its guestrooms were undergoing major renovations. Overall revenue for the hotel during the first three months of 2018 improved by 56% to RM9.887 million. The hotel made a pre-tax profit of RM0.548 million, compared to a pre-tax loss of RM3.034 million in the first quarter 2017, which included asset write-offs related to its guestroom renovation programme.

In line with softer occupancy rates, the Group's investment properties in Kuala Lumpur recorded a lower combined rental revenue of RM6.769 million for the first quarter 2018, and their pre-tax profit decreased from RM4.428 million in the previous year to RM4.207 million.

For the first quarter ended 31 March 2018, the Group's share of profits from associates in Myanmar dropped to RM0.286 million against RM1.533 million in the corresponding quarter in 2017, mainly reflecting a weaker performance by Sule Shangri-La Yangon, the Group's associate hotel amid a very challenging business environment.

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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

B2 Comparison of Group Results 1st Quarter 2018 vs 4th Quarter 2017

Group revenue for the first quarter ended 31 March 2018 was up by 8% to RM151.484 million, compared with RM140.141 million in the fourth quarter ended 31 December 2017. Consequently, the Group's net profit for the first quarter 2018 rose to RM25.545 million from RM9.523 million in the fourth quarter 2017.

These improvements were primarily driven by higher revenue and profit contributions from the Group's resorts in Sabah and Penang. Coupled with this, the overall results were further enhanced by the Group's share of associated companies' profits of RM0.286 million, versus share of losses of RM6.066 million in the fourth quarter 2017, which had included a net fair value loss of RM5.953 million from the year-end revaluation of the investment properties held by its associates.

Supported by increased visitor arrivals, Rasa Ria Resort saw its occupancy rise to 81% from 64% in the fourth quarter 2017, which contributed to a growth of 30% in revenue to RM40.631 million. At the same time, with stronger leisure demand, Rasa Sayang Resort and Golden Sands Resort also posted healthy increases in revenue, as compared to the fourth quarter 2017. Overall occupancy at Rasa Sayang Resort for the first quarter 2018 grew to 86% from 76%, while occupancy at Golden Sands Resort moved up to 84% from 74% in the fourth quarter 2017.

During the period, both Shangri-La Hotel Kuala Lumpur and Hotel Jen Penang registered revenue shortfalls against the fourth quarter 2017 on account of softer food and beverage business.

The combined rental revenue from the investment properties of the Group for the first quarter 2018 of RM6.769 million was lower than the RM6.885 million for the fourth quarter 2017.

B3 Prospects for 2018

Looking forward, the ongoing positive momentum in both the leisure and business travel markets should help to support further improvement in the operating performances of the Group's hotel businesses. The Group's hotels and resorts are in a strong position to benefit from these trends.

For the investment properties of the Group, the operating environment for UBN Tower is expected to hold relatively steady throughout 2018, while the outlook for UBN Apartments remains subdued in a lackluster market.

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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	
	31.3.2018 RM'000	31.3.2017 RM'000	31.3.2018 RM'000	31.3.2017 RM'000
Current taxation				
- Company and subsidiaries	10,401	6,521	10,401	6,521
Deferred taxation	367	1,462	367	1,462
(Over)/under provision in respect of prior years				
- Company and subsidiaries	-	-	-	-
	10,768	7,983	10,768	7,983

The Group's effective tax rate on profit before tax for the first quarter ended 31 March 2018 was 27%, compared to the statutory tax rate of 24%. This rate was higher primarily due to the impact of the net unrealised foreign currency translation losses recorded during the period on the Group's US dollar loans to its associates 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 March 2018 were RM143.407 million, compared with RM172.765 million at 31 March 2017.

<i>(All figures in RM'000)</i>	As at 31 March 2018	As at 31 March 2017
<u>Secured</u>		
Short Term	-	-
Long Term	-	-
	-	-
<u>Unsecured</u>		
Short Term	143,407 *	172,765 **
Long Term	-	-
Total	143,407	172,765

* Amounts drawdown as at 31 March 2018 comprised HKD42.8 million and USD14.170 million from two offshore banks in Labuan, and USD17.5 million from a local bank.

** Amounts drawdown as at 31 March 2017 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 2018.

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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 March 2018.

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 2018.

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 2018.

B11 Earnings per Share

The basic earnings per ordinary share for the three (3) months ended 31 March 2018 have been calculated as follows:-

	3 months ended		3 months ended	
	31.3.2018	31.3.2017	31.3.2018	31.3.2017
Profit attributable to shareholders of the Company (RM'000)	25,545	19,403	25,545	19,403
No. of ordinary shares in issue ('000)	440,000	440,000	440,000	440,000
Basic Earnings Per Share (sen)	5.81	4.41	5.81	4.41

Diluted Earnings per Share

Not applicable.

B12 Notes to the Statement of Comprehensive Income

	3 months ended		3 months ended	
	31.3.2018 RM'000	31.3.2017 RM'000	31.3.2018 RM'000	31.3.2017 RM'000
Net profit for the period is arrived at after charging:-				
Interest expense	(1,019)	(828)	(1,019)	(828)
Depreciation	(15,837)	(15,120)	(15,837)	(15,120)
Foreign exchange loss	(10,875)	(3,891)	(10,875)	(3,891)
and after crediting:-				
Interest income	1,384	940	1,384	940
Foreign exchange gain	6,912	2,503	6,912	2,503
Write back of allowance for doubtful debts - trade receivables	14	58	14	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 2018.

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

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

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

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 2017.

By Order of the Board

Datin Rozina Mohd Amin
Company Secretary

Kuala Lumpur
17 May 2018