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## SHANGRI-LA ASIA LIMITED

### 香格里拉(亞洲)有限公司

(Incorporated in Bermuda with limited liability)

website: [www.ir.shangri-la.com](http://www.ir.shangri-la.com)

(Stock code: 00069)

### OVERSEAS REGULATORY ANNOUNCEMENT

Shangri-La Hotel Public Company Limited (“**SHPCL**”) is a company listed on the Stock Exchange of Thailand (“**SET**”) and a 73.61% owned subsidiary of Shangri-La Asia Limited. SHPCL released to SET an announcement (“**Announcement**”) today. The following is a reproduction of the Announcement as required by the Note to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

*As at the date hereof, the directors of Shangri-La Asia Limited are:*

Executive directors

Mr KUOK Khoon Chen (Chairman)

Mr LUI Man Shing

Mr Madhu Rama Chandra RAO

Mr Gregory Allan DOGAN

Independent non-executive directors

Mr Alexander Reid HAMILTON

Mr Timothy David DATTELS

Mr WONG Kai Man

Professor LI Kwok Cheung Arthur

Non-executive directors

Mr HO Kian Guan

Ms KUOK Hui Kwong

Mr HO Kian Hock (alternate to Mr HO Kian Guan)

Hong Kong, 10 November 2014

To : Managing Director  
The Stock Exchange of Thailand

Date : November 10, 2014

Re : Management Discussion and Analysis for the period ended September 30, 2014

The Board of Directors is pleased to announce the Company's results for the period ended September 30, 2014 as follows:-

**Net profit after corporate income tax for the three-month period ended September 30, 2014 and 2013:**

| (Baht in million) | <u>2014</u> | <u>2013</u> | <u>Change (%)</u> |
|-------------------|-------------|-------------|-------------------|
| The Company       | 0.81        | 23.97       | (96.62%)          |
| Consolidated      | 33.66       | 283.60      | (88.13%)          |

**The Company:**

The Company's profit before corporate income tax for the three-month period ended September 30, 2014 decreased by Baht 27.01 million against the corresponding period last year. The decrease in the Company's profit was mainly attributed to the decrease in net profit of Shangri-La Hotel, Bangkok ("SLBK") by Baht 26.80 million and increase in loss of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 0.21 million. Revenues from hotel operation of SLBK decreased by Baht 92.54 million from Baht 409.11 million to Baht 316.57 million during the same period last year due to the lower room occupancy, food & beverage revenues and other revenues. Profit before expenses decreased by Baht 63.99 million. Selling and administrative expenses decreased by Baht 5.82 million and Baht 19.92 million respectively. Depreciation decreased by Baht 3.73 million against the same period last year. Finance cost decreased by Baht 7.71 million. As a result, the profit before corporate income tax decreased by Baht 26.80 million from Baht 36.06 million to Baht 9.26 million.

Revenues from hotel operation of SLCM decreased by Baht 3.74 million from Baht 91.70 million to Baht 87.96 million during the same period last year. Profit before expenses decreased by Baht 5.11 million from Baht 62.21 million to Baht 57.10 million. Selling and administrative expenses excluded depreciation decreased by Baht 5.26 million. Depreciation increased by Baht 0.35 million against the same period last year. As a result, the loss before corporate income tax increased by Baht 0.21 million from loss of Baht 6.64 million to loss of Baht 6.85 million. Consequently, the total profit of SLBK and SLCM before corporate income tax decreased by Baht 27.01 million from Baht 29.42 million to Baht 2.41 million. The corporate income tax decreased by Baht 3.84 million. As a result, the Company recorded a net profit after tax of Baht 0.81 million for the three-month period ended September 30, 2014 from a profit of Baht 23.97 million against the corresponding period last year (decreased by 96.62%).

**Consolidated:**

The consolidated profit before corporate income tax for the three-month period ended September 30, 2014 decreased by Baht 251.32 million against the corresponding period last year. The decrease in consolidated profit before corporate income tax is due to the decrease in the Company's profit before corporate income tax of Baht 27.01 million and the decrease in profit of subsidiaries of Baht 224.31 million. The decrease in profit of subsidiaries was largely due to reversal of allowance for impairment of investment and loan to a related company in the third quarter of year 2013. The corporate income tax decreased by Baht 3.83 million. As a result, the consolidated net profit after tax for the three-month period ended September 30, 2014 decreased by Baht 249.94 million against the corresponding period last year (decreased by 88.13%).

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**Net profit after corporate income tax for the nine-month period ended September 30, 2014 and 2013:**

| (Baht in million) | <u>2014</u> | <u>2013</u> | <u>Change (%)</u> |
|-------------------|-------------|-------------|-------------------|
| The Company       | 65.12       | 153.87      | (57.68%)          |
| Consolidated      | 101.11      | 1,875.62    | (94.61%)          |

**The Company:**

The Company's profit before corporate income tax for the nine-month period ended September 30, 2014 decreased by Baht 108.79 million against the corresponding period last year. The decrease in the Company's profit was attributed to the decrease in profit before tax of Shangri-La Hotel, Bangkok ("SLBK") by Baht 128.62 million and decrease in loss of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 19.83 million. Revenues from hotel operation of SLBK decreased by Baht 321.78 million from Baht 1,322.52 million to Baht 1,000.74 million during the same period last year due to the lower room occupancy, food & beverage revenues and other revenues. Profit before expenses decreased by Baht 247.59 million to Baht 670.78 million. Selling and administrative expenses decreased by Baht 21.76 million and Baht 47.74 million respectively. Depreciation decreased by Baht 21.84 million against the same period last year. Finance cost decreased by Baht 27.62 million. As a result, the profit before corporate income tax decreased by Baht 128.62 million from Baht 213.20 million to Baht 84.58 million.

Revenues from hotel operation of SLCM increased by Baht 31.36 million from Baht 259.24 million to Baht 290.60 million during the same period last year due to the higher average room rates. Profit before expenses increased by Baht 20.40 million from Baht 175.61 million to Baht 196.01 million. Selling and administrative expenses excluded depreciation increased by Baht 6.24 million. Depreciation decreased by Baht 5.66 million against the same period last year due to the completion of five year depreciable life of furniture and fixture capitalized from initial investment in SLCM. As a result, the loss before corporate income tax decreased by Baht 19.83 million from loss of Baht 21.75 million to loss of Baht 1.92 million. Consequently, the total profit of SLBK and SLCM before corporate income tax decreased by Baht 108.79 million to Baht 82.66 million. The corporate income tax decreased by Baht 20.04 million. As a result, the Company recorded a net profit after tax of Baht 65.12 million for the nine-month period ended September 30, 2014 from a profit of Baht 153.87 million against the corresponding period last year (decreased by 57.68%).

**Consolidated:**

The consolidated profit before corporate income tax for the nine-month period ended September 30, 2014 decreased by Baht 1,788.47 million against the corresponding period last year. The decrease in consolidated profit before corporate income tax was due to the decrease in the Company's profit before corporate income tax of Baht 108.79 million and the decrease in profit of subsidiaries of Baht 1,679.68 million. The decrease in profit of subsidiaries was largely due to disposal of investment in a related company and reversal of allowance for impairment of investment and loan to a related company in year 2013. The corporate income tax decreased by Baht 19.68 million. As a result, the consolidated net profit after tax for the nine-month period ended September 30, 2014 decreased by Baht 1,774.51 million against the corresponding period last year (decreased by 94.61%).

Yours faithfully,

\_\_\_\_\_  
Mrs. Pavinee Meensuk  
Director and Company Secretary

**Headline:** Reviewed Quarter 3 and Consolidated F/S (F45-3)  
**Security Symbol:** SHANG

Announcement Details

**The Company and Consolidated Financial Statement (F45-3)**

|              |   |  |  |  |
|--------------|---|--|--|--|
| Company name | SHANGRI-LA HOTEL PUBLIC COMPANY LIMITED |  |  |  |
| Quarter      | Quarter 3                               |  |  |  |

(In thousands)

The Consolidated Financial Statement

|                   | Quarter 3    |         | For 9 Months |           |
|-------------------|--------------|---------|--------------|-----------|
| Status            | Reviewed     |         | Reviewed     |           |
| Ending            | 30 September |         | 30 September |           |
| Year              | 2014         | 2013    | 2014         | 2013      |
| Net profit (loss) | 33,656       | 283,596 | 101,114      | 1,875,616 |
| EPS (baht)        | 0.26         | 2.18    | 0.78         | 14.43     |

The Company Financial Statement

|                   | Quarter 3    |        | For 9 Months |         |
|-------------------|--------------|--------|--------------|---------|
| Status            | Reviewed     |        | Reviewed     |         |
| Ending            | 30 September |        | 30 September |         |
| Year              | 2014         | 2013   | 2014         | 2013    |
| Net profit (loss) | 806          | 23,973 | 65,120       | 153,869 |
| EPS (baht)        | 0.01         | 0.18   | 0.50         | 1.18    |

Type of report      Unqualified opinion

Please see details in financial statements, auditor's report and remarks from SET SMART

"The company hereby certifies that the information above is correct and complete. In addition, the company has already reported and disseminated its financial statements in full via the SET Electronic Listed Company Information Disclosure (SET Portal), and has also submitted the original report to the Securities and Exchange Commission."

Signature \_\_\_\_\_  
(Mrs. Pavinee Meensuk)  
Director and Company Secretary  
Authorized to sign on behalf of the company

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Shangri-La Hotel Public Company Limited  
and its subsidiaries  
Report and consolidated interim financial statements  
For the three-month and nine-month periods ended  
30 September 2014

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Shangri-La Hotel Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Shangri-La Hotel Public Company Limited and its subsidiaries as at 30 September 2014, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2014, and the related consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Shangri-La Hotel Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

**Other matter**

The consolidated statement of financial position of Shangri-La Hotel Public Company Limited and its subsidiaries, and the separate statement of financial position of Shangri-La Hotel Public Company Limited as at 31 December 2013, presented as comparative information, were audited by another auditor who expressed an unqualified opinion on those statements, under his report dated 24 February 2014. The consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2013, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended of Shangri-La Hotel Public Company Limited and its subsidiaries, and the separate financial statements of Shangri-La Hotel Public Company Limited for the same period, presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under his report dated 11 November 2013, that nothing had come to his attention that caused him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting*.

Siraporn Ouaanunkun

Certified Public Accountant (Thailand) No. 3844

EY Office Limited

Bangkok: 10 November 2014



Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2014

(Unit: Thousand Baht)

|  | <u>Consolidated financial statements</u> |                             | <u>Separate financial statements</u> |                             |                         |
|--|--|-----------------------------|--------------------------------------|-----------------------------|-------------------------|
|  | <u>Note</u>                              | <u>30 September 2014</u>    | <u>31 December 2013</u>              | <u>30 September 2014</u>    | <u>31 December 2013</u> |
|  |  | (Unaudited<br>but reviewed) | (Audited)                            | (Unaudited<br>but reviewed) | (Audited)               |
| <b>Assets</b>                                |  |                             |                                      |                             |                         |
| <b>Current assets</b>                        |  |                             |                                      |                             |                         |
| Cash and cash equivalents                    |  | 1,376,343                   | 2,009,454                            | 371,613                     | 700,452                 |
| Current investments - fixed deposits         |  |                             |                                      |                             |                         |
| with financial institutions                  |  | 457,903                     | -                                    | 435,000                     | -                       |
| Trade and other receivables                  | 3  | 123,798                     | 184,953                              | 123,276                     | 183,882                 |
| Short-term loans to and interest receivables |  |                             |                                      |                             |                         |
| from related parties                         | 2  | -                           | -                                    | 162,158                     | 165,266                 |
| Inventories                                  |  | 34,234                      | 34,276                               | 34,234                      | 34,276                  |
| Other current assets                         |  | 8,663                       | 8,832                                | 8,633                       | 8,812                   |
| <b>Total current assets</b>                  |  | <u>2,000,941</u>            | <u>2,237,515</u>                     | <u>1,134,914</u>            | <u>1,092,688</u>        |
| <b>Non-current assets</b>                    |  |                             |                                      |                             |                         |
| Investments in subsidiaries                  | 4  | -                           | -                                    | 1,303,000                   | 1,303,000               |
| Investments in associates                    | 5  | 683                         | 1,477                                | -                           | -                       |
| Other long-term investments                  |  |                             |                                      |                             |                         |
| Available-for-sale securities                | 6  | 68,624                      | 73,525                               | 68,624                      | 73,525                  |
| Investments in related parties               | 7  | 501,899                     | 669,202                              | -                           | -                       |
| Investment in other company                  | 8  | 131,151                     | 131,151                              | -                           | -                       |
| Long-term loans to and interest receivables  |  |                             |                                      |                             |                         |
| from related parties                         | 2  | 1,595,444                   | 1,323,073                            | -                           | -                       |
| Property, plant and equipment                | 9  | 2,490,017                   | 2,800,000                            | 2,488,163                   | 2,798,146               |
| Intangible assets                            |  | 3,742                       | 3,458                                | 3,742                       | 3,458                   |
| Deferred tax assets                          | 14                                       | 81,352                      | 97,911                               | 64,950                      | 81,509                  |
| Other non-current assets                     |  | 4,198                       | 5,015                                | 4,198                       | 5,015                   |
| <b>Total non-current assets</b>              |  | <u>4,877,110</u>            | <u>5,104,812</u>                     | <u>3,932,677</u>            | <u>4,264,653</u>        |
| <b>Total assets</b>                          |  | <u>6,878,051</u>            | <u>7,342,327</u>                     | <u>5,067,591</u>            | <u>5,357,341</u>        |

The accompanying notes are an integral part of the financial statements.

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2014

(Unit: Thousand Baht)

|   | <u>Consolidated financial statements</u> |                             | <u>Separate financial statements</u> |                             |                         |
|---|--|-----------------------------|--------------------------------------|-----------------------------|-------------------------|
|   | <u>Note</u>                              | <u>30 September 2014</u>    | <u>31 December 2013</u>              | <u>30 September 2014</u>    | <u>31 December 2013</u> |
|   |  | (Unaudited<br>but reviewed) | (Audited)                            | (Unaudited<br>but reviewed) | (Audited)               |
| <b>Liabilities and shareholders' equity</b>       |  |                             |                                      |                             |                         |
| <b>Current liabilities</b>                        |  |                             |                                      |                             |                         |
| Trade and other payables                          | 10                                       | 242,805                     | 383,133                              | 198,705                     | 333,504                 |
| Short-term loans from related party               | 2  | -                           | -                                    | 487,500                     | 494,241                 |
| Other current liabilities                         | 11                                       | 94,481                      | 110,154                              | 93,087                      | 109,463                 |
| <b>Total current liabilities</b>                  |  | <u>337,286</u>              | <u>493,287</u>                       | <u>779,292</u>              | <u>937,208</u>          |
| <b>Non-current liabilities</b>                    |  |                             |                                      |                             |                         |
| Provision for long-term employee benefits         | 12                                       | 54,989                      | 50,932                               | 54,989                      | 50,932                  |
| Rental deposits                                   |  | 15,714                      | 17,804                               | 15,714                      | 17,804                  |
| <b>Total non-current liabilities</b>              |  | <u>70,703</u>               | <u>68,736</u>                        | <u>70,703</u>               | <u>68,736</u>           |
| <b>Total liabilities</b>                          |  | <u>407,989</u>              | <u>562,023</u>                       | <u>849,995</u>              | <u>1,005,944</u>        |
| <b>Shareholders' equity</b>                       |  |                             |                                      |                             |                         |
| Share capital                                     |  |                             |                                      |                             |                         |
| Registered, issued and fully paid up              |  |                             |                                      |                             |                         |
| 130,000,000 ordinary shares of Baht 10 each       |  | 1,300,000                   | 1,300,000                            | 1,300,000                   | 1,300,000               |
| Share premium                                     |  | 1,590,400                   | 1,590,400                            | 1,590,400                   | 1,590,400               |
| Retained earnings                                 |  |                             |                                      |                             |                         |
| Appropriated-statutory reserve                    |  | 130,000                     | 130,000                              | 130,000                     | 130,000                 |
| Unappropriated                                    |  | 2,407,658                   | 2,501,544                            | 1,187,112                   | 1,316,992               |
| Other components of shareholders' equity          |  | 1,027,860                   | 1,249,931                            | 10,084                      | 14,005                  |
| Equity attributable to owners of the Company      |  | 6,455,918                   | 6,771,875                            | 4,217,596                   | 4,351,397               |
| Non-controlling interests of the subsidiary       |  | 14,144                      | 8,429                                | -                           | -                       |
| <b>Total shareholders' equity</b>                 |  | <u>6,470,062</u>            | <u>6,780,304</u>                     | <u>4,217,596</u>            | <u>4,351,397</u>        |
| <b>Total liabilities and shareholders' equity</b> |  | <u>6,878,051</u>            | <u>7,342,327</u>                     | <u>5,067,591</u>            | <u>5,357,341</u>        |
|   |  | -                           | -                                    | -                           | -                       |

The accompanying notes are an integral part of the financial statements.

Directors

(Unaudited but reviewed)

**Shangri-La Hotel Public Company Limited and its subsidiaries****Statement of comprehensive income****For the three-month period ended 30 September 2014**

(Unit: Thousand Baht except earnings per share expressed in Baht)

|   | Note | Consolidated financial statements |                | Separate financial statements |                |
|---|------|-----------------------------------|----------------|-------------------------------|----------------|
|   |      | 2014                              | 2013           | 2014                          | 2013           |
| <b>Profit or loss:</b>  |      |                                   |                |                               |                |
| <b>Revenues</b>   |      |                                   |                |                               |                |
| Revenues from hotel operations  |      | 404,525                           | 500,801        | 404,525                       | 500,801        |
| Other income  |      |                                   |                |                               |                |
| Reversal of allowance for impairment of investments and loans to related parties                        | 2    | -                                 | 237,666        | -                             | -              |
| Interest income   |      | 13,259                            | 11,890         | 5,407                         | 4,332          |
| Others  |      | 37,602                            | 20,890         | 4,313                         | 7,645          |
| <b>Total revenues</b>   |      | <b>455,386</b>                    | <b>771,247</b> | <b>414,245</b>                | <b>512,778</b> |
| <b>Expenses</b>   |      |                                   |                |                               |                |
| Cost of hotel operations  |      | 153,971                           | 183,406        | 153,971                       | 183,406        |
| Selling expenses  |      | 29,792                            | 36,080         | 29,792                        | 36,080         |
| Administrative expenses   |      | 109,846                           | 131,261        | 106,190                       | 130,906        |
| Depreciation and amortisation expenses  |      | 123,083                           | 126,458        | 123,083                       | 126,458        |
| <b>Total expenses</b>   |      | <b>416,692</b>                    | <b>477,205</b> | <b>413,036</b>                | <b>476,850</b> |
| <b>Profit before share of loss from investments in associates, finance cost and income tax expenses</b> |      | <b>38,694</b>                     | <b>294,042</b> | <b>1,209</b>                  | <b>35,928</b>  |
| Share of loss from investments in associates  | 5    | (1)                               | -              | -                             | -              |
| <b>Profit before finance cost and income tax expenses</b>   |      | <b>38,693</b>                     | <b>294,042</b> | <b>1,209</b>                  | <b>35,928</b>  |
| Finance cost  | 13   | -                                 | (4,030)        | 1,200                         | (6,509)        |
| <b>Profit before income tax expenses</b>  |      | <b>38,693</b>                     | <b>290,012</b> | <b>2,409</b>                  | <b>29,419</b>  |
| Income tax expenses   | 14   | (2,585)                           | (6,416)        | (1,603)                       | (5,446)        |
| <b>Profit for the period</b>  |      | <b>36,108</b>                     | <b>283,596</b> | <b>806</b>                    | <b>23,973</b>  |
| <b>Other comprehensive income:</b>  |      |                                   |                |                               |                |
| Exchange differences on translation of financial statements in foreign currency                         |      | (57,078)                          | 31,328         | -                             | -              |
| Loss on changes in value of available-for-sale investments  |      | (39,106)                          | (26,436)       | (10,348)                      | (3,813)        |
| Income tax effect   | 14   | 2,070                             | 762            | 2,070                         | 762            |
| <b>Other comprehensive income for the period</b>  |      | <b>(94,114)</b>                   | <b>5,654</b>   | <b>(8,278)</b>                | <b>(3,051)</b> |
| <b>Total comprehensive income for the period</b>  |      | <b>(58,006)</b>                   | <b>289,250</b> | <b>(7,472)</b>                | <b>20,922</b>  |

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Shangri-La Hotel Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the three-month period ended 30 September 2014**

(Unit: Thousand Baht except earnings per share expressed in Baht)

|  | <u>Consolidated financial statements</u> |                | <u>Separate financial statements</u> |               |
|--|--|----------------|--------------------------------------|---------------|
| <u>Note</u>  | <u>2014</u>                              | <u>2013</u>    | <u>2014</u>                          | <u>2013</u>   |
| <b>Profit attributable to:</b>                       |  |                |                                      |               |
| Equity holders of the Company                        | 33,656                                   | 283,596        | <u>806</u>                           | <u>23,973</u> |
| Non-controlling interests of the subsidiary          | <u>2,452</u>                             | <u>-</u>       |                                      |               |
|  | <u>36,108</u>                            | <u>283,596</u> |                                      |               |
| <b>Total comprehensive income attributable to:</b>   |  |                |                                      |               |
| Equity holders of the Company                        | (60,458)                                 | 289,250        | <u>(7,472)</u>                       | <u>20,922</u> |
| Non-controlling interests of the subsidiary          | <u>2,452</u>                             | <u>-</u>       |                                      |               |
|  | <u>(58,006)</u>                          | <u>289,250</u> |                                      |               |
| <b>Earnings per share</b>                            |  |                |                                      |               |
| Basic earnings per share                             | 15                                       |                |                                      |               |
| Profit attributable to equity holders of the Company | <u>0.26</u>                              | <u>2.18</u>    | <u>0.01</u>                          | <u>0.18</u>   |

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Shangri-La Hotel Public Company Limited and its subsidiaries****Statement of comprehensive income****For the nine-month period ended 30 September 2014**

(Unit: Thousand Baht except earnings per share expressed in Baht)

|   | Note | Consolidated financial statements |                  | Separate financial statements |                  |
|---|------|-----------------------------------|------------------|-------------------------------|------------------|
|   |      | 2014                              | 2013             | 2014                          | 2013             |
| <b>Profit or loss:</b>  |      |                                   |                  |                               |                  |
| <b>Revenues</b>   |      |                                   |                  |                               |                  |
| Revenues from hotel operations  |      | 1,291,339                         | 1,581,760        | 1,291,339                     | 1,581,760        |
| Other income  |      |                                   |                  |                               |                  |
| Gains on sales of investment in related party   | 7    | -                                 | 1,454,137        | -                             | -                |
| Reversal of allowance for impairment of investments and loans to related parties                        | 2    | -                                 | 237,666          | -                             | -                |
| Interest income   |      | 46,823                            | 30,639           | 17,182                        | 13,704           |
| Others  |      | 42,615                            | 46,898           | 12,147                        | 25,604           |
| <b>Total revenues</b>   |      | <b>1,380,777</b>                  | <b>3,351,100</b> | <b>1,320,668</b>              | <b>1,621,068</b> |
| <b>Expenses</b>   |      |                                   |                  |                               |                  |
| Cost of hotel operations  |      | 453,875                           | 527,087          | 453,875                       | 527,087          |
| Selling expenses  |      | 87,307                            | 107,392          | 87,307                        | 107,392          |
| Administrative expenses   |      | 357,966                           | 401,406          | 349,608                       | 392,790          |
| Depreciation and amortisation expenses  |      | 353,960                           | 381,466          | 353,960                       | 381,466          |
| <b>Total expenses</b>   |      | <b>1,253,108</b>                  | <b>1,417,351</b> | <b>1,244,750</b>              | <b>1,408,735</b> |
| <b>Profit before share of loss from investments in associates, finance cost and income tax expenses</b> |      |                                   |                  |                               |                  |
|   |      | 127,669                           | 1,933,749        | 75,918                        | 212,333          |
| Share of loss from investments in associates  | 5    | (794)                             | -                | -                             | -                |
| <b>Profit before finance cost and income tax expenses</b>   |      | <b>126,875</b>                    | <b>1,933,749</b> | <b>75,918</b>                 | <b>212,333</b>   |
| Finance cost  | 13   | -                                 | (18,404)         | 6,741                         | (20,883)         |
| <b>Profit before income tax expenses</b>  |      | <b>126,875</b>                    | <b>1,915,345</b> | <b>82,659</b>                 | <b>191,450</b>   |
| Income tax expenses   | 14   | (20,046)                          | (39,729)         | (17,539)                      | (37,581)         |
| <b>Profit for the period</b>  |      | <b>106,829</b>                    | <b>1,875,616</b> | <b>65,120</b>                 | <b>153,869</b>   |
| <b>Other comprehensive income:</b>  |      |                                   |                  |                               |                  |
| Exchange differences on translation of financial statements in foreign currency                         |      | (55,948)                          | 59,994           | -                             | -                |
| Gain (loss) on changes in value of available-for-sale investments                                       |      | (167,104)                         | (72,305)         | (4,902)                       | 28,103           |
| Income tax effect   | 14   | 981                               | (5,621)          | 981                           | (5,621)          |
| <b>Other comprehensive income for the period</b>  |      | <b>(222,071)</b>                  | <b>(17,932)</b>  | <b>(3,921)</b>                | <b>22,482</b>    |
| <b>Total comprehensive income for the period</b>  |      | <b>(115,242)</b>                  | <b>1,857,684</b> | <b>61,199</b>                 | <b>176,351</b>   |

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Shangri-La Hotel Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the nine-month period ended 30 September 2014**

(Unit: Thousand Baht except earnings per share expressed in Baht)

|  | <u>Consolidated financial statements</u> |                  | <u>Separate financial statements</u> |                |
|--|--|------------------|--------------------------------------|----------------|
| <u>Note</u>  | <u>2014</u>                              | <u>2013</u>      | <u>2014</u>                          | <u>2013</u>    |
| <b>Profit attributable to:</b>                       |  |                  |                                      |                |
| Equity holders of the Company                        | 101,114                                  | 1,875,616        | <u>65,120</u>                        | <u>153,869</u> |
| Non-controlling interests of the subsidiary          | <u>5,715</u>                             | <u>-</u>         |                                      |                |
|  | <u>106,829</u>                           | <u>1,875,616</u> |                                      |                |
| <b>Total comprehensive income attributable to:</b>   |  |                  |                                      |                |
| Equity holders of the Company                        | (120,957)                                | 1,857,684        | <u>61,199</u>                        | <u>176,351</u> |
| Non-controlling interests of the subsidiary          | <u>5,715</u>                             | <u>-</u>         |                                      |                |
|  | <u>(115,242)</u>                         | <u>1,857,684</u> |                                      |                |
| <b>Earnings per share</b>                            |  |                  |                                      |                |
| Basic earnings per share                             | 15                                       |                  |                                      |                |
| Profit attributable to equity holders of the Company | <u>0.78</u>                              | <u>14.43</u>     | <u>0.50</u>                          | <u>1.18</u>    |

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Shangri-La Hotel Public Company Limited and its subsidiaries****Cash flow statement****For the nine-month period ended 30 September 2014**

(Unit: Thousand Baht)

|   | <u>Consolidated financial statements</u> |                | <u>Separate financial statements</u> |                |                |
|---|--|----------------|--------------------------------------|----------------|----------------|
|   | <u>Note</u>                              | <u>2014</u>    | <u>2013</u>                          | <u>2014</u>    | <u>2013</u>    |
| <b>Cash flows from operating activities</b>   |  |                |                                      |                |                |
| Profit before tax   |  | 126,875        | 1,915,345                            | 82,659         | 191,450        |
| Adjustments to reconcile profit before tax to<br>net cash provided by (paid from) operating activities: |  |                |                                      |                |                |
| Depreciation and amortisation   |  | 353,960        | 381,466                              | 353,960        | 381,466        |
| Allowance for doubtful accounts (reversal)  |  | (12)           | 638                                  | (12)           | 638            |
| Reduce cost of inventories to net realisable value  |  | 37             | -                                    | 37             | -              |
| Reversal of allowance for impairment of<br>investments and loans to related parties                     | 2  | -              | (237,666)                            | -              | -              |
| Reversal of allowance for interest receivables  |  | -              | -                                    | (7,338)        | (3,440)        |
| Allowance for loss on diminution in value of investment   |  | -              | 3,862                                | -              | -              |
| Gain on sales of plant and equipments   |  | (413)          | (1,306)                              | (413)          | (1,306)        |
| Share of loss from investments in associates  | 5  | 794            | -                                    | -              | -              |
| Gains on sales of investment in related party   | 7  | -              | (1,454,137)                          | -              | -              |
| Provision for long-term employee benefits   |  | 4,876          | 2,324                                | 4,876          | 2,324          |
| Unrealised exchange losses (gains)  |  | 24,402         | (15,535)                             | (4,602)        | 7,520          |
| Dividend income   |  | (18,202)       | (18,632)                             | (1,525)        | (1,089)        |
| Interest income   |  | (27,342)       | (30,640)                             | (17,182)       | (13,704)       |
| Interest expenses   |  | -              | 9,551                                | -              | 9,551          |
| Profit from operating activities before<br>changes in operating assets and liabilities                  |  | 464,975        | 555,270                              | 410,460        | 573,410        |
| Operating assets (increase) decrease  |  |                |                                      |                |                |
| Trade and other receivables   |  | 60,415         | 48,179                               | 60,412         | 48,179         |
| Inventories   |  | 5              | 4,086                                | 5              | 4,086          |
| Other current assets  |  | 2,231          | 1,058                                | 2,231          | 1,068          |
| Other non-current assets  |  | 818            | (9,863)                              | 818            | (9,863)        |
| Operating liabilities increase (decrease)   |  |                |                                      |                |                |
| Trade and other payables  |  | (127,281)      | (134,618)                            | (121,751)      | (132,836)      |
| Other current liabilities   |  | (15,906)       | 25,851                               | (16,377)       | 26,240         |
| Provision for long-term employee benefits   |  | (819)          | -                                    | (819)          | -              |
| Other non-current liabilities   |  | (2,090)        | 1,102                                | (2,090)        | 1,102          |
| Cash flows from operating activities  |  | 382,348        | 491,065                              | 332,889        | 511,386        |
| Cash paid for interest expenses   |  | -              | (11,270)                             | -              | (9,551)        |
| Cash paid for corporate income tax  |  | (4,337)        | (3,609)                              | (2,053)        | (2,141)        |
| <b>Net cash flows from operating activities</b>   |  | <b>378,011</b> | <b>476,186</b>                       | <b>330,836</b> | <b>499,694</b> |

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Shangri-La Hotel Public Company Limited and its subsidiaries****Cash flow statement (continued)**

For the nine-month period ended 30 September 2014

(Unit: Thousand Baht)

|  | <u>Consolidated financial statements</u> |                  | <u>Separate financial statements</u> |                  |                  |
|--|--|------------------|--------------------------------------|------------------|------------------|
|  | <u>Note</u>                              | <u>2014</u>      | <u>2013</u>                          | <u>2014</u>      | <u>2013</u>      |
| <b>Cash flows from investing activities</b>                                  |  |                  |                                      |                  |                  |
| Cash paid for short-term investments - net                                   |  | (457,903)        | 159                                  | (435,000)        | -                |
| Proceeds from sales of investment in related party                           |  | -                | 1,856,178                            | -                | -                |
| Loans to related parties   |  | (291,472)        | (354,393)                            | (2,674)          | -                |
| Cash received from loans to and interest receivables<br>from related parties |  | -                | 169,750                              | 10,982           | 3,440            |
| Cash received from interest income   |  | 28,094           | 21,942                               | 17,389           | 12,677           |
| Dividend income  |  | 18,202           | 18,632                               | 1,525            | 1,089            |
| Acquisitions of plant and equipment  |  | (57,379)         | (130,257)                            | (57,379)         | (130,257)        |
| Proceeds from sales of plant and equipment                                   |  | 482              | 1,501                                | 482              | 1,501            |
| <b>Net cash flows from (used in) investing activities</b>                    |  | <u>(759,976)</u> | <u>1,583,512</u>                     | <u>(464,675)</u> | <u>(111,550)</u> |
| <b>Cash flows from financing activities</b>                                  |  |                  |                                      |                  |                  |
| Loans from related parties   |  | -                | -                                    | -                | 467,558          |
| Repayment of loans from related parties                                      |  | -                | (467,558)                            | -                | (467,558)        |
| Repayment of long-term loans   |  | -                | (130,000)                            | -                | (130,000)        |
| Dividend paid  |  | (195,000)        | (292,500)                            | (195,000)        | (292,500)        |
| <b>Net cash flows used in financing activities</b>                           |  | <u>(195,000)</u> | <u>(890,058)</u>                     | <u>(195,000)</u> | <u>(422,500)</u> |
| <b>Increase (decrease) in translation adjustments</b>                        |  | <u>(55,948)</u>  | <u>59,994</u>                        | <u>-</u>         | <u>-</u>         |
| <b>Net increase (decrease) in cash and cash equivalents</b>                  |  | <u>(632,913)</u> | <u>1,229,634</u>                     | <u>(328,839)</u> | <u>(34,356)</u>  |
| Unrealised exchange gains (losses) for cash and<br>cash equivalents          |  | (198)            | -                                    | -                | -                |
| Cash and cash equivalents at beginning of period                             |  | 2,009,454        | 650,118                              | 700,452          | 503,603          |
| <b>Cash and cash equivalents at end of period</b>                            |  | <u>1,376,343</u> | <u>1,879,752</u>                     | <u>371,613</u>   | <u>469,247</u>   |
|  |  | -                | -                                    | -                | -                |
| <b>Supplemental cash flow information</b>                                    |  |                  |                                      |                  |                  |
| Non-cash transactions  |  |                  |                                      |                  |                  |
| Payable from purchases of plant and equipment                                |  | 2,306            | 15,316                               | 2,306            | 15,316           |

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

## Shangri-La Hotel Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2014

(Unit: Thousand Baht)

| <b>Consolidated financial statements</b>     |  |                  |                   |                  |  |  |                    |   |   |   |   |                                  |
|--|--|------------------|-------------------|------------------|--|--|--------------------|---|---|---|---|----------------------------------|
| Equity attributable to owners of the Company |  |                  |                   |                  |  |  |                    |   |   |   |   |                                  |
| Other components of equity                   |  |                  |                   |                  |  |  |                    |   |   |   |   |                                  |
| Other comprehensive income                   |  |                  |                   |                  |  |  |                    |   |   |   |   |                                  |
|  | Issued and<br>fully paid-up<br>share capital | Share premium    | Retained earnings |                  | Exchange<br>differences on<br>translation of<br>financial<br>statements in<br>foreign currency | Surplus on changes in value<br>of available-for-sale investments |                    | Actuarial loss<br>on defined<br>employee<br>benefit plans | Total other<br>components of<br>shareholders'<br>equity | Total equity<br>attributable to<br>owners of<br>the Company | Equity attributable<br>to non-controlling<br>interests of<br>the subsidiary | Total<br>shareholders'<br>equity |
|  |  |                  | Appropriated      | Unappropriated   |  | Other<br>company   | Related<br>company |   |   |   |   |                                  |
| <b>Balance as at 1 January 2013</b>          | 1,300,000                                    | 1,590,400        | 130,000           | 743,225          | 758,564  | 174  | 306,609            | -   | 1,065,347   | 4,828,972   | -   | 4,828,972                        |
| Total comprehensive income for the period    | -  | -                | -                 | 1,875,616        | 59,994   | 22,482   | (100,408)          | -   | (17,932)  | 1,857,684   | -   | 1,857,684                        |
| Dividend paid (Note 17)                      | -  | -                | -                 | (292,500)        | -  | -  | -                  | -   | -   | (292,500)   | -   | (292,500)                        |
| <b>Balance as at 30 September 2013</b>       | <u>1,300,000</u>                             | <u>1,590,400</u> | <u>130,000</u>    | <u>2,326,341</u> | <u>818,558</u>   | <u>22,656</u>  | <u>206,201</u>     | <u>-</u>  | <u>1,047,415</u>  | <u>6,394,156</u>  | <u>-</u>  | <u>6,394,156</u>                 |
| <b>Balance as at 1 January 2014</b>          | 1,300,000                                    | 1,590,400        | 130,000           | 2,501,544        | 920,877  | 18,735   | 315,049            | (4,730)   | 1,249,931   | 6,771,875   | 8,429   | 6,780,304                        |
| Total comprehensive income for the period    | -  | -                | -                 | 101,114          | (55,948)   | (3,921)  | (162,202)          | -   | (222,071)   | (120,957)   | 5,715   | (115,242)                        |
| Dividend paid (Note 17)                      | -  | -                | -                 | (195,000)        | -  | -  | -                  | -   | -   | (195,000)   | -   | (195,000)                        |
| <b>Balance as at 30 September 2014</b>       | <u>1,300,000</u>                             | <u>1,590,400</u> | <u>130,000</u>    | <u>2,407,658</u> | <u>864,929</u>   | <u>14,814</u>  | <u>152,847</u>     | <u>(4,730)</u>  | <u>1,027,860</u>  | <u>6,455,918</u>  | <u>14,144</u>   | <u>6,470,062</u>                 |

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Shangri-La Hotel Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the nine-month period ended 30 September 2014**

(Unit: Thousand Baht)

|   |                      | <b>Separate financial statements</b> |                       |                  |               |                                   |                        |                      |                      |
|---|----------------------|--------------------------------------|-----------------------|------------------|---------------|-----------------------------------|------------------------|----------------------|----------------------|
|   |                      |                                      |                       |                  |               | <u>Other components of equity</u> |                        |                      |                      |
|   |                      |                                      |                       |                  |               | <u>Other comprehensive income</u> |                        |                      |                      |
|   |                      |                                      |                       |                  |               | <u>Surplus</u>                    |                        |                      |                      |
|   |                      |                                      |                       |                  |               | <u>on changes</u>                 | <u>Actuarials loss</u> | <u>Total other</u>   | <u>Total</u>         |
|   |                      |                                      |                       |                  |               | <u>in value of</u>                | <u>on defined</u>      | <u>components of</u> | <u>shareholders'</u> |
|   |                      |                                      |                       |                  |               | <u>available-for-sale</u>         | <u>employee</u>        | <u>shareholders'</u> | <u>shareholders'</u> |
|   |                      |                                      |                       |                  |               | <u>investments</u>                | <u>benefit plans</u>   | <u>equity</u>        | <u>equity</u>        |
| <u>Issued and</u>                         | <u>Share premium</u> | <u>Retained earnings</u>             |                       |                  |               |                                   |                        |                      |                      |
| <u>fully paid-up</u>                      |                      | <u>Appropriated</u>                  | <u>Unappropriated</u> |                  |               |                                   |                        |                      |                      |
| <u>share capital</u>                      |                      |                                      |                       |                  |               |                                   |                        |                      |                      |
| <b>Balance as at 1 January 2013</b>       | 1,300,000            | 1,590,400                            | 130,000               | 1,361,770        | 174           | -                                 | 174                    | 4,382,344            |                      |
| Total comprehensive income for the period | -                    | -                                    | -                     | 153,869          | 22,482        | -                                 | 22,482                 | 176,351              |                      |
| Dividend paid (Note 17)                   | -                    | -                                    | -                     | (292,500)        | -             | -                                 | -                      | (292,500)            |                      |
| <b>Balance as at 30 September 2013</b>    | <u>1,300,000</u>     | <u>1,590,400</u>                     | <u>130,000</u>        | <u>1,223,139</u> | <u>22,656</u> | <u>-</u>                          | <u>22,656</u>          | <u>4,266,195</u>     |                      |
| <b>Balance as at 1 January 2014</b>       | 1,300,000            | 1,590,400                            | 130,000               | 1,316,992        | 18,735        | (4,730)                           | 14,005                 | 4,351,397            |                      |
| Total comprehensive income for the period | -                    | -                                    | -                     | 65,120           | (3,921)       | -                                 | (3,921)                | 61,199               |                      |
| Dividend paid (Note 17)                   | -                    | -                                    | -                     | (195,000)        | -             | -                                 | -                      | (195,000)            |                      |
| <b>Balance as at 30 September 2014</b>    | <u>1,300,000</u>     | <u>1,590,400</u>                     | <u>130,000</u>        | <u>1,187,112</u> | <u>14,814</u> | <u>(4,730)</u>                    | <u>10,084</u>          | <u>4,217,596</u>     |                      |

The accompanying notes are an integral part of the financial statements.

**Shangri-La Hotel Public Company Limited and its subsidiaries**

**Notes to consolidated interim financial statements**

**For the three-month and nine-month periods ended 30 September 2014**

**1. General information**

**1.1 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2012) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

**1.2 Basis of consolidation**

These consolidated financial statements include the financial statements of Shangri-La Hotel Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2013. There have been no changes in the composition of the Group during the current period.

**1.3 New accounting standards**

**(a) Accounting standards that became effective in the current accounting year**

The Company and its subsidiaries disclosed the accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended 31 December 2013.

The management of the Company and its subsidiaries have assessed the effects of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations, and believes that they are not relevant to the business of the Company and its subsidiaries or do not have a significant impact.

**(b) Accounting standards that will become effective in the future**

The Company and its subsidiaries have disclosed the financial reporting standard that will be effective in the future in the notes to financial statements for the year ended 31 December 2013.

The management of the Company and its subsidiaries have assessed the effect of this financial reporting standard and believes that it is not relevant to the business of the Company and its subsidiaries.

**1.4 Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2013.

**2. Related party transactions**

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

|   | For the three-month periods ended 30 September |             |                      |             | Transfer Pricing Policy                                |
|---|--|-------------|----------------------|-------------|--|
|   | Consolidated                                   |             | Separate             |             |  |
|   | financial statements                           |             | financial statements |             |  |
|   | <u>2014</u>                                    | <u>2013</u> | <u>2014</u>          | <u>2013</u> |  |
| <u>Transactions with subsidiary companies</u>           |  |             |                      |             |  |
| (eliminated from the consolidated financial statements) |  |             |                      |             |  |
| Interest income   | -  | -           | 1                    | 1           | At a rate of LIBOR 1 month plus 2.05 percent per annum |
| <u>Transactions with associated companies</u>           |  |             |                      |             |  |
| Interest income   | 5  | 6           | -                    | -           | At rates of 0.56 to 2.05 percent per annum             |
| <u>Transactions with related companies</u>              |  |             |                      |             |  |
| Revenue from hotel operations                           | 4  | 3           | 4                    | 3           | Normal business price                                  |
| Management fees   | 14   | 16          | 14                   | 16          | Contract price   |
| Marketing and promotion fees                            | 4  | 5           | 4                    | 5           | Contract price   |
| Advertising and reservation fees                        | 1  | 4           | 1                    | 4           | Contract price   |
| Interest expenses                                       | -  | 3           | -                    | 3           | At a rate of LIBOR 1 month plus 2.05 percent per annum |

(Unaudited but reviewed)

(Unit: Million Baht)

|  | For the nine-month periods ended 30 September |                      |                      |                      | Transfer Pricing Policy                                |
|--|---|----------------------|----------------------|----------------------|--|
|  | Consolidated                                  |                      | Separate             |                      |  |
|  | financial statements                          | financial statements | financial statements | financial statements |  |
|  | 2014  | 2013                 | 2014                 | 2013                 |  |
| <u>Transactions with subsidiary companies</u><br>(eliminated from the consolidated financial statements) |   |                      |                      |                      |  |
| Interest income  | -   | -                    | 3                    | 3                    | At a rate of LIBOR 1 month plus 2.05 percent per annum |
| <u>Transactions with associated companies</u>  |   |                      |                      |                      |  |
| Interest income  | 22  | 13                   | -                    | -                    | At rates of 0.56 to 2.05 percent per annum             |
| <u>Transactions with related companies</u>   |   |                      |                      |                      |  |
| Revenue from hotel operations  | 11  | 10                   | 11                   | 10                   | Normal business price                                  |
| Dividend income  | 2   | 4                    | -                    | -                    | As announcement  |
| Management fees  | 43  | 51                   | 43                   | 51                   | Contract price   |
| Marketing and promotion fees   | 13  | 16                   | 13                   | 16                   | Contract price   |
| Advertising and reservation fees   | 9   | 11                   | 9                    | 11                   | Contract price   |
| Interest expenses  | -   | 8                    | -                    | 8                    | At a rate of LIBOR 1 month plus 2.05 percent per annum |

The balances of the accounts between the Company and these related companies as at 30 September 2014 and 31 December 2013 are as follows:

|   | (Unit: Thousand Baht) |                      |                      |                      |
|---|-----------------------|----------------------|----------------------|----------------------|
|   | Consolidated          |                      | Separate             |                      |
|   | financial statements  | financial statements | financial statements | financial statements |
|   | 30 September 2014     | 31 December 2013     | 30 September 2014    | 31 December 2013     |
|   | (Audited)             |                      | (Audited)            |                      |
| <b><u>Other receivables - related parties (Note 3)</u></b>                      |                       |                      |                      |                      |
| <b>Associated company</b>   |                       |                      |                      |                      |
| Traders Yangon Company Limited  | 4,397                 | 1,423                | 4,397                | 1,423                |
| <b>Related company</b>  |                       |                      |                      |                      |
| Shangri-La International Hotel Management Limited                               | 3,158                 | -                    | 3,158                | -                    |
| Total other receivables - related parties                                       | 7,555                 | 1,423                | 7,555                | 1,423                |
| <b><u>Short-term loans to and interest receivables from related parties</u></b> |                       |                      |                      |                      |
| <b>Subsidiaries</b>   |                       |                      |                      |                      |
| Apizaco Limited   | -                     | -                    | 162,158              | 165,266              |
| TRR-Kerry Development Company Limited   | -                     | -                    | 56,596               | 63,935               |
| Total   | -                     | -                    | 218,754              | 229,201              |
| Less: Allowance for doubtful interest receivables                               | -                     | -                    | (56,596)             | (63,935)             |
| Total short-term loans to and interest receivables from related parties - net   | -                     | -                    | 162,158              | 165,266              |

(Unaudited but reviewed)

The above loans are repayable on demand and carry interest at the rate of LIBOR 1 Month plus 2.05 percent per annum.

(Unit: Thousand Baht)

|   | Consolidated         |             | Separate             |             |
|---|----------------------|-------------|----------------------|-------------|
|   | financial statements |             | financial statements |             |
|   | 30 September         | 31 December | 30 September         | 31 December |
|   | 2014                 | 2013        | 2014                 | 2013        |
|   |                      | (Audited)   |                      | (Audited)   |
| <b><u>Long-term loans to and interest receivables</u></b> |                      |             |                      |             |
| <b><u>from related parties</u></b>                        |                      |             |                      |             |
| <b>Associated companies</b>                               |                      |             |                      |             |
| <b>Non-interest bearing</b>                               |                      |             |                      |             |
| Traders Yangon Company Limited                            | 338,342              | 343,287     | -                    | -           |
| Shangri-La Yangon Company Limited                         | 236,016              | 239,465     | -                    | -           |
| Traders Square Company Limited                            | 43,813               | 44,453      | -                    | -           |
|   | 618,171              | 627,205     | -                    | -           |
| <b>Interest bearing</b>                                   |                      |             |                      |             |
| Traders Yangon Company Limited                            | 524,478              | 526,903     | -                    | -           |
| Shangri-La Yangon Company Limited                         | 813,839              | 536,851     | -                    | -           |
| Traders Square Company Limited                            | 245,740              | 247,766     | -                    | -           |
|   | 1,584,057            | 1,311,520   | -                    | -           |
| Total   | 2,202,228            | 1,938,725   | -                    | -           |
| Less: Allowance for doubtful loans                        | (606,784)            | (615,652)   | -                    | -           |
| Total long-term loans to and interest receivables         |                      |             |                      |             |
| from related parties - net                                | 1,595,444            | 1,323,073   | -                    | -           |

The above interest bearing loans carry interest at the rates of 0.56 to 2.05 percent per annum.

During the third quarter of year 2013, the shareholders of Shangri-La Yangon Company Limited engaged an independent professional valuer to determine fair value of the residential project in Myanmar. Based on the revaluation, the fair value exceeds cost of investment and loans from related parties. Therefore, the subsidiary had reversed all allowance for doubtful loans and interest receivables and allowance for impairment of investments in Shangri-La Yangon Company Limited as other income in the statements of comprehensive income.

(Unaudited but reviewed)

(Unit: Thousand Baht)

|  | Consolidated         |               | Separate             |               |
|--|----------------------|---------------|----------------------|---------------|
|  | financial statements |               | financial statements |               |
|  | 30 September         | 31 December   | 30 September         | 31 December   |
|  | 2014                 | 2013          | 2014                 | 2013          |
|  | (Audited)            |               | (Audited)            |               |
| <b><u>Trade payables - related parties (Note 10)</u></b> |                      |               |                      |               |
| <b>Related companies</b>                                 | 605                  | -             | 605                  | -             |
| <b><u>Other payables - related parties (Note 10)</u></b> |                      |               |                      |               |
| <b>Related companies</b>                                 |                      |               |                      |               |
| Shangri-La International Hotel Management Limited        | 5,906                | 18,588        | 5,906                | 18,588        |
| Shangri-La International Hotel Management BV             | 8,072                | 11,840        | 8,072                | 11,840        |
| Other related companies                                  | 1,246                | -             | 1,246                | -             |
| <b>Total other payables - related parties</b>            | <b>15,224</b>        | <b>30,428</b> | <b>15,224</b>        | <b>30,428</b> |
| <b><u>Short-term loan from related party</u></b>         |                      |               |                      |               |
| <b>Subsidiary</b>  |                      |               |                      |               |
| Hasfeild Holdings Pte., Ltd.                             | -                    | -             | 487,500              | 494,241       |
|  | -                    | -             | 487,500              | 494,241       |

The above loans are repayable on demand and no interest bearing.

During the current period, movements of loans to and interest receivables from related parties and loans from related parties were as follows:

(Unit: Thousand Baht)

|  | Separate financial statements |              |                 |                |                   |
|--|-------------------------------|--------------|-----------------|----------------|-------------------|
|  | Balance                       | Increase     | Decrease        | Unrealized     | Balance           |
|  | as at                         | during       | during          | loss on        | as at             |
|  | 1 January 2014                | the period   | the period      | exchange       | 30 September 2014 |
| <b><u>Short-term loans to and interest receivables</u></b>                     |                               |              |                 |                |                   |
| <b><u>from related parties</u></b>   |                               |              |                 |                |                   |
| <b>Subsidiaries</b>  |                               |              |                 |                |                   |
| Apizaco Limited  | 165,266                       | 2,674        | (3,643)         | (2,139)        | 162,158           |
| TRR-Kerry Development Company Limited  | 63,935                        | -            | (7,339)         | -              | 56,596            |
| <b>Total short-term loans to and interest receivables from related parties</b> | <b>229,201</b>                | <b>2,674</b> | <b>(10,982)</b> | <b>(2,139)</b> | <b>218,754</b>    |

(Unaudited but reviewed)

(Unit: Thousand Baht)

|   | Consolidated financial statements |            |            |            |                   |
|---|-----------------------------------|------------|------------|------------|-------------------|
|   | Balance                           | Increase   | Decrease   | Unrealized | Balance           |
|   | as at                             | during     | during     | loss on    | as at             |
|   | 1 January 2014                    | the period | the period | exchange   | 30 September 2014 |
| <b><u>Long-term loans to and interest receivables</u></b> |                                   |            |            |            |                   |
| <b><u>from related parties</u></b>                        |                                   |            |            |            |                   |
| <b>Associated companies</b>                               |                                   |            |            |            |                   |
| <b>Non-interest bearing</b>                               |                                   |            |            |            |                   |
| Traders Yangon Company Limited                            | 343,287                           | -          | -          | (4,945)    | 338,342           |
| Shangri-La Yangon Company Limited                         | 239,465                           | -          | -          | (3,449)    | 236,016           |
| Traders Square Company Limited                            | 44,453                            | -          | -          | (640)      | 43,813            |
| <b>Interest bearing</b>                                   |                                   |            |            |            |                   |
| Traders Yangon Company Limited                            | 526,903                           | 5,175      | -          | (7,600)    | 524,478           |
| Shangri-La Yangon Company Limited                         | 536,851                           | 284,751    | -          | (7,763)    | 813,839           |
| Traders Square Company Limited                            | 247,766                           | 1,546      | -          | (3,572)    | 245,740           |
| Total long-term loans to and interest receivables         |                                   |            |            |            |                   |
| from related parties                                      | 1,938,725                         | 291,472    | -          | (27,969)   | 2,202,228         |

(Unit: Thousand Baht)

|   | Separate financial statements |            |            |            |                   |
|---|-------------------------------|------------|------------|------------|-------------------|
|   | Balance                       | Increase   | Decrease   | Unrealized | Balance           |
|   | as at                         | during     | during     | gain on    | as at             |
|   | 1 January 2014                | the period | the period | exchange   | 30 September 2014 |
| <b><u>Short-term loans from related party</u></b> |                               |            |            |            |                   |
| <b>Subsidiary</b>                                 |                               |            |            |            |                   |
| Hasfeild Holdings Pte.,Ltd.                       | 494,241                       | -          | -          | (6,741)    | 487,500           |
| Total short-term loans from related party         | 494,241                       | -          | -          | (6,741)    | 487,500           |

**Directors and management's benefits**

During the three-month and nine-month periods ended 30 September 2014 and 2013, the Company and its subsidiaries had employee benefit expenses to their directors and management as detailed below.

(Unit: Thousand Baht)

|                              | For the three-month periods ended 30 September                      |        |
|------------------------------|---|--------|
|                              | Consolidated financial statements/<br>Separate financial statements |        |
|                              | 2014  | 2013   |
| Short-term employee benefits | 9,653   | 11,368 |
| Post-employment benefits     | 818   | 923    |
| Total                        | 10,471  | 12,291 |



(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

|                              | Consolidated financial statements/<br>Separate financial statements |        |
|------------------------------|---|--------|
|                              | 2014  | 2013   |
| Short-term employee benefits | 34,457  | 31,132 |
| Post-employment benefits     | 2,800   | 2,319  |
| Total                        | 37,257  | 33,451 |

### 3. Trade and other receivables

(Unit: Thousand Baht)

|  | Consolidated<br>financial statements |                     | Separate<br>financial statements |                     |
|--|--------------------------------------|---------------------|----------------------------------|---------------------|
|  | 30 September<br>2014                 | 31 December<br>2013 | 30 September<br>2014             | 31 December<br>2013 |
|  |                                      | (Audited)           |                                  | (Audited)           |
| <u>Trade receivables - unrelated parties</u>     |                                      |                     |                                  |                     |
| Age on the basis of invoice date                 |                                      |                     |                                  |                     |
| Less than 120 days                               | 97,465                               | 163,233             | 97,465                           | 163,233             |
| 120 - 180 days                                   | 294                                  | 402                 | 294                              | 402                 |
| Over 180 days                                    | 749                                  | 1,983               | 749                              | 1,983               |
| Total  | 98,508                               | 165,618             | 98,508                           | 165,618             |
| Less: Allowance for doubtful debts               | (1,027)                              | (1,039)             | (1,027)                          | (1,039)             |
| Total trade receivables - unrelated parties, net | 97,481                               | 164,579             | 97,481                           | 164,579             |
| <u>Other receivables</u>                         |                                      |                     |                                  |                     |
| Other receivables - related parties              | 7,555                                | 1,423               | 7,555                            | 1,423               |
| Other receivables - unrelated parties            | 9,453                                | 7,346               | 8,931                            | 6,275               |
| Prepaid expenses                                 | 9,309                                | 11,605              | 9,309                            | 11,605              |
| Total other receivables                          | 26,317                               | 20,374              | 25,795                           | 19,303              |
| Total trade and other receivables - net          | 123,798                              | 184,953             | 123,276                          | 183,882             |

#### 4. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

| Company's name                    | Paid-up capital    |                    | Shareholding percentage |             | Cost         |             |
|-----------------------------------|--------------------|--------------------|-------------------------|-------------|--------------|-------------|
|                                   | 30 September       | 31 December        | 30 September            | 31 December | 30 September | 31 December |
|                                   | 2014               | 2013               | 2014                    | 2013        | 2014         | 2013        |
|                                   | (Audited)          |                    | (Percent)               | (Percent)   | (Audited)    |             |
| Town Development Company Limited  | Baht 1,303 million | Baht 1,303 million | 100                     | 100         | 1,303,000    | 1,303,000   |
| Total investments in subsidiaries |                    |                    |                         |             | 1,303,000    | 1,303,000   |

The Company's subsidiaries held through its subsidiaries are summarised below.

| Company's name   | Nature of business | Country of incorporation | Paid-up capital  |                  | Percentage of shareholding |             |
|--|--------------------|--------------------------|------------------|------------------|----------------------------|-------------|
|  |                    |                          | 30 September     | 31 December      | 30 September               | 31 December |
|  |                    |                          | 2014             | 2013             | 2014                       | 2013        |
|  |                    |                          | (Audited)        |                  | Percent                    | Percent     |
| <b><u>Subsidiaries held through Town Development Company Limited</u></b> |                    |                          |                  |                  |                            |             |
| TRR-Kerry Development Company Limited                                    | Holding investment | Thailand                 | Baht 231 million | Baht 231 million | 57.33                      | 57.33       |
| Apizaco Limited  | Holding investment | Hong Kong                | HKD 206 million  | HKD 206 million  | 100.00                     | 100.00      |
| Hasfeild Holdings Pte.,Ltd.  | Holding investment | Singapore                | SGD 34 million   | SGD 34 million   | 100.00                     | 100.00      |
| <b><u>Subsidiary held through Apizaco Limited</u></b>                    |                    |                          |                  |                  |                            |             |
| Zukerman Limited   | Holding investment | British Virgin           | USD 1            | USD 1            | 100.00                     | 100.00      |

## 5. Investments in associates

### 5.1 Details of associates:

(Unit: Thousand Baht)

| Company's name   | Nature of business  | Country of incorporation | Consolidated financial statements |             |              |             |   |             |
|--|---------------------|--------------------------|-----------------------------------|-------------|--------------|-------------|---|-------------|
|  |                     |                          | Shareholding percentage           |             | Cost         |             | Carrying amounts based on equity method |             |
|  |                     |                          | 30 September                      | 31 December | 30 September | 31 December | 30 September                            | 31 December |
|  |                     |                          | 2014                              | 2013        | 2014         | 2013        | 2014                                    | 2013        |
|  |                     |                          |                                   |             |              |             |   |             |
|  |                     |                          | (Percent)                         | (Percent)   |              | (Audited)   | (Audited)                               |             |
| <b><u>Associated companies (owned by Zukerman Limited)</u></b> |                     |                          |                                   |             |              |             |   |             |
| Traders Yangon Company Limited                                 | Hotel               | Myanmar                  | 23.53                             | 23.53       | 28,868       | 29,290      | -                                       | -           |
| Shangri-La Yangon Company Limited                              | Serviced apartments | Myanmar                  | 22.22                             | 22.22       | 17,064       | 17,313      | -                                       | 785         |
| Traders Square Company Limited                                 | Not yet operated    | Myanmar                  | 23.56                             | 23.56       | 683          | 692         | 683                                     | 692         |
| Total  |                     |                          |                                   |             | 46,615       | 47,295      | 683                                     | 1,477       |

### 5.2 Share of loss

During the periods, the Company has recognised its share of loss from investments in associate companies in the consolidated financial statements as follows:

(Unit: Thousand Baht)

| Company's name                    | Share of loss from investments in associates during the period |      |   |      |
|-----------------------------------|--|------|---|------|
|                                   | For the three-month periods ended 30 September                 |      | For the nine-month periods ended 30 September |      |
|                                   | 2014   | 2013 | 2014  | 2013 |
|                                   |  |      |   |      |
| Shangri-La Yangon Company Limited | -  | -    | 785   | -    |
| Traders Square Company Limited    | 1  | -    | 9   | -    |
| Total                             | 1  | -    | 794   | -    |

### 5.3 Summarised financial information of associates

Financial information of the associated companies is summarised below.

| Company's name                       | Paid-up capital              |                              | Total assets |             | Total liabilities |             | Total revenues     |         | Profit (loss)      |        |
|--------------------------------------|------------------------------|------------------------------|--------------|-------------|-------------------|-------------|--------------------|---------|--------------------|--------|
|                                      |                              |                              |              |             |                   |             | for the nine-month |         | for the nine-month |        |
|                                      | 30 September                 | 31 December                  | 30 September | 31 December | 30 September      | 31 December | periods ended      |         | periods ended      |        |
|                                      | 2014                         | 2013                         | 2014         | 2013        | 2014              | 2013        | 30 September       |         | 30 September       |        |
| Traders Yangon<br>Company Limited    | 116,914<br>(USD 3.6 million) | 118,504<br>(USD 3.6 million) | 2,732,769    | 2,717,766   | 4,406,644         | 4,455,580   | 752,295            | 557,209 | 40,657             | 75,818 |
| Shangri-La Yangon<br>Company Limited | 63,455<br>(USD 2.0 million)  | 64,318<br>(USD 2.0 million)  | 5,047,676    | 3,820,207   | 5,144,248         | 3,816,674   | 227,689            | -       | (100,149)          | -      |
| Traders Square<br>Company Limited    | 2,897<br>(USD 0.1 million)   | 2,937<br>(USD 0.1 million)   | 1,298,578    | 1,275,820   | 1,295,681         | 1,272,883   | -                  | -       | -                  | -      |

### 6. Investments in available-for-sale securities

|  | (Unit: Thousand Baht)   |                     |
|--|---|---------------------|
|  | Consolidated financial statements/<br>Separate financial statements |                     |
|  | 30 September<br>2014  | 31 December<br>2013 |
|  |   | (Audited)           |
| Cost - Ordinary shares of Post Publishing Public Company Limited | 50,107  | 50,107              |
| Add: Unrealised gain on changes in value of investments          | 18,517  | 23,418              |
| Fair value   | 68,624  | 73,525              |

### 7. Investments in related parties

|   | (Unit: Thousand Baht)             |                     |
|---|-----------------------------------|---------------------|
|   | Consolidated financial statements |                     |
|   | 30 September<br>2014              | 31 December<br>2013 |
|   |                                   | (Audited)           |
| Cost - Ordinary shares of Shangri-La Asia Limited       | 354,153                           | 354,153             |
| Add: Unrealised gain on changes in value of investments | 147,746                           | 315,049             |
| Fair value  | 501,899                           | 669,202             |

(Unaudited but reviewed)

In March 2013, the subsidiary disposed its investment in Cuscaden Properties Pte., Ltd. to a related party in Singapore at the value of SGD 76 million (or equivalent to Baht 1,856 million). During the first quarter of year 2013, the subsidiary recognised gain on disposal of the investment of SGD 60 million (or equivalent to Baht 1,454 million) as other income in the statement of comprehensive income.

## 8. Investments in other company - Net

(Unit: Thousand Baht)

|   | Consolidated financial statements |                     |
|---|-----------------------------------|---------------------|
|   | 30 September<br>2014              | 31 December<br>2013 |
|   |                                   | (Audited)           |
| Cost - Ordinary shares of Don Muang Tollway Public<br>Company Limited | 213,164                           | 213,164             |
| Less: Allowance for loss on diminution in value of investments        | (82,013)                          | (82,013)            |
| Investments in other company, net                                     | <u>131,151</u>                    | <u>131,151</u>      |

## 9. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2014 are summarised below.

(Unit: Thousand Baht)

|  | Consolidated         | Separate             |
|--|----------------------|----------------------|
|  | financial statements | financial statements |
| <b>Net book value as at 1 January 2014</b>   | 2,800,000            | 2,798,146            |
| Acquisitions during the period - at cost   | 41,781               | 41,781               |
| Disposals/write-off during the period - net book<br>value at disposal/write-off date | (69)                 | (69)                 |
| Depreciation for the period  | (351,695)            | (351,695)            |
| <b>Net book value as at 30 September 2014</b>  | <u>2,490,017</u>     | <u>2,488,163</u>     |

(Unaudited but reviewed)

## 10. Trade and other payables

(Unit: Thousand Baht)

|   | Consolidated         |                | Separate             |                |
|---|----------------------|----------------|----------------------|----------------|
|   | financial statements |                | financial statements |                |
|   | 30 September         | 31 December    | 30 September         | 31 December    |
|   | 2014                 | 2013           | 2014                 | 2013           |
|   |                      | (Audited)      |                      | (Audited)      |
| Trade payables - related parties                            | 605                  | -              | 605                  | -              |
| Trade payables - unrelated parties                          | 79,854               | 120,470        | 79,854               | 120,470        |
| Other payables - related parties                            | 15,224               | 30,428         | 15,224               | 30,428         |
| Other payables - unrelated parties                          | 10,100               | 18,070         | 10,100               | 16,959         |
| Interest payables to minority<br>shareholders of subsidiary | 42,592               | 48,054         | -                    | -              |
| Construction payables                                       | 2,306                | 15,353         | 2,306                | 15,353         |
| Retention payables  | 6,170                | 9,465          | 6,170                | 9,465          |
| Accrued expenses  | 85,954               | 138,018        | 84,446               | 137,554        |
| Others  | -                    | 3,275          | -                    | 3,275          |
| Total trade and other payables                              | <u>242,805</u>       | <u>383,133</u> | <u>198,705</u>       | <u>333,504</u> |

## 11. Other current liabilities

(Unit: Thousand Baht)

|                                 | Consolidated         |                | Separate             |                |
|---------------------------------|----------------------|----------------|----------------------|----------------|
|                                 | financial statements |                | financial statements |                |
|                                 | 30 September         | 31 December    | 30 September         | 31 December    |
|                                 | 2014                 | 2013           | 2014                 | 2013           |
|                                 |                      | (Audited)      |                      | (Audited)      |
| Advances from customers         | 66,231               | 87,418         | 66,231               | 87,418         |
| Others                          | 28,250               | 22,736         | 26,856               | 22,045         |
| Total other current liabilities | <u>94,481</u>        | <u>110,154</u> | <u>93,087</u>        | <u>109,463</u> |

**12. Provision for long-term employee benefits**

Movements in the provision for long-term employee benefits account during the nine-month period ended 30 September 2014 are summarised below.

|  | (Unit: Thousand Baht)   |
|--|---|
|  | Consolidated financial statements/<br>Separate financial statements |
|  | <hr/>   |
| <b>Balance as at 1 January 2014</b>    | 50,932  |
| Current service cost                   | 3,588   |
| Interest cost                          | 1,288   |
| Benefits paid during the period        | (819)   |
|  | <hr/>   |
| <b>Balance as at 30 September 2014</b> | <b>54,989</b>   |
|  | <hr/> <hr/>   |

**13. Finance cost**

Finance cost for the three-month and nine-month periods ended 30 September 2014 and 2013 are summarised below:

|  | (Unit: Thousand Baht)                          |                |                      |                |
|--|--|----------------|----------------------|----------------|
|  | For the three-month periods ended 30 September |                |                      |                |
|  | Consolidated                                   |                | Separate             |                |
|  | financial statements                           |                | financial statements |                |
|  | <u>2014</u>                                    | <u>2013</u>    | <u>2014</u>          | <u>2013</u>    |
| Interest expenses  | -  | (2,526)        | -                    | (2,526)        |
| Realised/unrealised gain (loss) on<br>exchange rate on short-term loan<br>from related parties | -  | (1,504)        | 1,200                | (3,983)        |
|  | <hr/>  | <hr/>          | <hr/>                | <hr/>          |
| <b>Total</b>   | <b>-</b>                                       | <b>(4,030)</b> | <b>1,200</b>         | <b>(6,509)</b> |
|  | <hr/> <hr/>                                    | <hr/> <hr/>    | <hr/> <hr/>          | <hr/> <hr/>    |

|  | (Unit: Thousand Baht)                         |                 |                      |                 |
|--|---|-----------------|----------------------|-----------------|
|  | For the nine-month periods ended 30 September |                 |                      |                 |
|  | Consolidated                                  |                 | Separate             |                 |
|  | financial statements                          |                 | financial statements |                 |
|  | <u>2014</u>                                   | <u>2013</u>     | <u>2014</u>          | <u>2013</u>     |
| Interest expenses  | -   | (9,551)         | -                    | (9,551)         |
| Realised/unrealised gain (loss) on<br>exchange rate on short-term loan<br>from related parties | -   | (8,853)         | 6,741                | (11,332)        |
|  | <hr/>   | <hr/>           | <hr/>                | <hr/>           |
| <b>Total</b>   | <b>-</b>                                      | <b>(18,404)</b> | <b>6,741</b>         | <b>(20,883)</b> |
|  | <hr/> <hr/>                                   | <hr/> <hr/>     | <hr/> <hr/>          | <hr/> <hr/>     |

**14. Income tax**

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2014 and 2013 are made up as follows:

(Unit: Thousand Baht)

|   | For the three-month periods ended 30 September |                |                      |                |
|---|--|----------------|----------------------|----------------|
|   | Consolidated                                   |                | Separate             |                |
|   | financial statements                           |                | financial statements |                |
|   | <u>2014</u>                                    | <u>2013</u>    | <u>2014</u>          | <u>2013</u>    |
| <b>Current income tax:</b>  |  |                |                      |                |
| Interim corporate income tax charge   | (982)  | (970)          | -                    | -              |
| <b>Deferred tax:</b>  |  |                |                      |                |
| Relating to origination and reversal of temporary differences                 | (1,603)  | (5,446)        | (1,603)              | (5,446)        |
| <b>Income tax expenses reported in the statements of comprehensive income</b> | <u>(2,585)</u>                                 | <u>(6,416)</u> | <u>(1,603)</u>       | <u>(5,446)</u> |

(Unit: Thousand Baht)

|   | For the nine-month periods ended 30 September |                 |                      |                 |
|---|---|-----------------|----------------------|-----------------|
|   | Consolidated                                  |                 | Separate             |                 |
|   | financial statements                          |                 | financial statements |                 |
|   | <u>2014</u>                                   | <u>2013</u>     | <u>2014</u>          | <u>2013</u>     |
| <b>Current income tax:</b>  |   |                 |                      |                 |
| Interim corporate income tax charge   | (2,507)                                       | (2,148)         | -                    | -               |
| <b>Deferred tax:</b>  |   |                 |                      |                 |
| Relating to origination and reversal of temporary differences                 | (17,539)                                      | (37,581)        | (17,539)             | (37,581)        |
| <b>Income tax expenses reported in the statements of comprehensive income</b> | <u>(20,046)</u>                               | <u>(39,729)</u> | <u>(17,539)</u>      | <u>(37,581)</u> |



(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2014 and 2013 are as follows:

(Unit: Thousand Baht)

|   | For the three-month periods ended 30 September |                      |                      |                      |
|---|--|----------------------|----------------------|----------------------|
|   | Consolidated                                   |                      | Separate             |                      |
|   | financial statements                           | financial statements | financial statements | financial statements |
|   | <u>2014</u>                                    | <u>2013</u>          | <u>2014</u>          | <u>2013</u>          |
| Deferred tax relating to gain on changes in value of available-for-sale investments | <u>2,070</u>                                   | <u>762</u>           | <u>2,070</u>         | <u>762</u>           |

(Unit: Thousand Baht)

|   | For the nine-month periods ended 30 September |                      |                      |                      |
|---|---|----------------------|----------------------|----------------------|
|   | Consolidated                                  |                      | Separate             |                      |
|   | financial statements                          | financial statements | financial statements | financial statements |
|   | <u>2014</u>                                   | <u>2013</u>          | <u>2014</u>          | <u>2013</u>          |
| Deferred tax relating to gain on changes in value of available-for-sale investments | <u>981</u>                                    | <u>(5,621)</u>       | <u>981</u>           | <u>(5,621)</u>       |

## 15. Earnings per share

Basic earnings per share is calculated by dividing profit for the periods attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

|  | For the three-month periods ended 30 September |                      |                      |                      |
|--|--|----------------------|----------------------|----------------------|
|  | Consolidated                                   |                      | Separate             |                      |
|  | financial statements                           | financial statements | financial statements | financial statements |
|  | <u>2014</u>                                    | <u>2013</u>          | <u>2014</u>          | <u>2013</u>          |
| Profit for the period (Thousand Baht)                        | 33,656   | 283,596              | 806                  | 23,973               |
| Weighted average number of ordinary shares (Thousand shares) | 130,000  | 130,000              | 130,000              | 130,000              |
| Earnings per share (Baht per share)                          | 0.26   | 2.18                 | 0.01                 | 0.18                 |

  

|  | For the nine-month periods ended 30 September |                      |                      |                      |
|--|---|----------------------|----------------------|----------------------|
|  | Consolidated                                  |                      | Separate             |                      |
|  | financial statements                          | financial statements | financial statements | financial statements |
|  | <u>2014</u>                                   | <u>2013</u>          | <u>2014</u>          | <u>2013</u>          |
| Profit for the period (Thousand Baht)                        | 101,114                                       | 1,875,616            | 65,120               | 153,869              |
| Weighted average number of ordinary shares (Thousand shares) | 130,000                                       | 130,000              | 130,000              | 130,000              |
| Earnings per share (Baht per share)                          | 0.78  | 14.43                | 0.50                 | 1.18                 |

## 16. Segment information

The Company and its subsidiaries are organised into business units based on its services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2014 and 2013, respectively.

(Unit: Million Baht)

|  | For the three-month periods ended 30 September |       |                    |      |            |      |                |       |                 |      |              |       |
|--|--|-------|--------------------|------|------------|------|----------------|-------|-----------------|------|--------------|-------|
|  | Hotel business                                 |       |                    |      | Holding    |      |                |       | Adjustments and |      | Consolidated |       |
|  | Hotel in Bangkok                               |       | Hotel in Chiangmai |      | Investment |      | Total segments |       | eliminations    |      |              |       |
|  | 2014   | 2013  | 2014               | 2013 | 2014       | 2013 | 2014           | 2013  | 2014            | 2013 | 2014         | 2013  |
| <b>Revenues</b>  |  |       |                    |      |            |      |                |       |                 |      |              |       |
| External customers   | 318  | 409   | 87                 | 92   | -          | -    | 405            | 501   | -               | -    | 405          | 501   |
| Total revenues   | 318  | 409   | 87                 | 92   | -          | -    | 405            | 501   | -               | -    | 405          | 501   |
| <b>Operating results</b>   |  |       |                    |      |            |      |                |       |                 |      |              |       |
| <b>Segment profit</b>  | 193  | 255   | 57                 | 62   | -          | -    | 250            | 317   | -               | -    | 250          | 317   |
| Interest income  | 5  | 4     | -                  | -    | 10         | 9    | 15             | 13    | (2)             | (1)  | 13           | 12    |
| Reversal of allowance of investment and loans to related parties | -  | -     | -                  | -    | -          | 238  | -              | 238   | -               | -    | -            | 238   |
| Other income   | 5  | 7     | -                  | -    | 35         | 11   | 40             | 18    | (2)             | 3    | 38           | 21    |
| Depreciation and amortisation expenses                           | (96)   | (100) | (27)               | (26) | -          | -    | (123)          | (126) | -               | -    | (123)        | (126) |
| Non-controlling interest of the subsidiary                       | -  | -     | -                  | -    | (2)        | -    | (2)            | -     | -               | -    | (2)          | -     |
| <b>Profit before income tax expenses</b>                         | 9  | 36    | (7)                | (7)  | 39         | 255  | 41             | 284   | (4)             | 6    | 37           | 290   |
| Income tax expenses  | (2)  | (5)   | -                  | -    | (1)        | (1)  | (3)            | (6)   | -               | -    | (3)          | (6)   |
| <b>Profit for the period</b>                                     | 7  | 31    | (7)                | (7)  | 38         | 254  | 38             | 278   | (4)             | 6    | 34           | 284   |

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

|   | Hotel business |             |             |             |                    |             |                |             |                 |             |              |       |
|---|----------------|-------------|-------------|-------------|--------------------|-------------|----------------|-------------|-----------------|-------------|--------------|-------|
|   | Hotel in       |             | Hotel in    |             | Holding Investment |             | Total segments |             | Adjustments and |             | Consolidated |       |
|   | Bangkok        |             | Chiangmai   |             |                    |             |                |             | eliminations    |             |              |       |
| <u>2014</u>   | <u>2013</u>    | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u>        | <u>2014</u> | <u>2013</u>    | <u>2014</u> | <u>2013</u>     | <u>2014</u> | <u>2013</u>  |       |
| <b>Revenues</b>   |                |             |             |             |                    |             |                |             |                 |             |              |       |
| External customers  | 1,000          | 1,323       | 291         | 259         | -                  | -           | 1,291          | 1,582       | -               | -           | 1,291        | 1,582 |
| Total revenues  | 1,000          | 1,323       | 291         | 259         | -                  | -           | 1,291          | 1,582       | -               | -           | 1,291        | 1,582 |
| <b>Operating results</b>  |                |             |             |             |                    |             |                |             |                 |             |              |       |
| <b>Segment profit</b>   | 642            | 880         | 195         | 175         | -                  | -           | 837            | 1,055       | -               | -           | 837          | 1,055 |
| Interest income   | 17             | 14          | -           | -           | 35                 | 20          | 52             | 34          | (5)             | (3)         | 47           | 31    |
| Gains on sales of investment in related party                                   | -              | -           | -           | -           | -                  | 1,454       | -              | 1,454       | -               | -           | -            | 1,454 |
| Reversal of allowance for impairment of investment and loans to related parties | -              | -           | -           | -           | -                  | 238         | -              | 238         | -               | -           | -            | 238   |
| Other income  | 11             | 24          | 1           | 1           | 34                 | 19          | 46             | 44          | (3)             | 3           | 43           | 47    |
| Depreciation and amortisation expenses  | (275)          | (296)       | (79)        | (85)        | -                  | -           | (354)          | (381)       | -               | -           | (354)        | (381) |
| Share of loss from investments in associates                                    | -              | -           | -           | -           | (1)                | -           | (1)            | -           | -               | -           | (1)          | -     |
| Non-controlling interest of the subsidiary                                      | -              | -           | -           | -           | (6)                | -           | (6)            | -           | -               | -           | (6)          | -     |
| <b>Profit before income tax expenses</b>  | 84             | 214         | (2)         | (22)        | 47                 | 1,722       | 129            | 1,914       | (8)             | 2           | 121          | 1,916 |
| Income tax expenses   | (17)           | (38)        | -           | -           | (3)                | (2)         | (20)           | (40)        | -               | -           | (20)         | (40)  |
| <b>Profit for the period</b>  | 67             | 176         | (2)         | (22)        | 44                 | 1,720       | 109            | 1,874       | (8)             | 2           | 101          | 1,876 |

(Unaudited but reviewed)

The following table presents segment assets of the Company and its subsidiaries' operating segments as at 30 September 2014 and 31 December 2013:

(Unit: Million Baht)

| <b>Segment assets</b>   | Hotel business      |                       | Holding<br>investment | Total segments | Adjustments<br>and eliminations | Consolidated |
|-------------------------|---------------------|-----------------------|-----------------------|----------------|---------------------------------|--------------|
|                         | Hotel in<br>Bangkok | Hotel in<br>Chiangmai |                       |                |                                 |              |
| As at 30 September 2014 | 4,046               | 1,021                 | 4,406                 | 9,473          | (2,595)                         | 6,878        |
| As at 31 December 2013  | 4,253               | 1,104                 | 5,934                 | 11,291         | (3,949)                         | 7,342        |

**17. Dividends**

| Dividends                  | Approved by   | Total dividends<br>(Million Baht) | Dividend per share<br>(Baht) |
|----------------------------|---|-----------------------------------|------------------------------|
| Final dividends for 2012   | Annual General Meeting of the shareholders on 24 April 2013 | 98                                | 0.75                         |
| Interim dividends for 2013 | Board of Directors' meeting on 6 August 2013                | 195                               | 1.50                         |
| Total dividends for 2013   |   | 293                               | 2.25                         |
| Final dividends for 2013   | Annual General Meeting of the shareholders on 23 April 2014 | 195                               | 1.50                         |
| Total dividends for 2014   |   | 195                               | 1.50                         |

**18. Commitments and contingent liabilities****18.1 Capital commitments**

As at 30 September 2014, the Company had capital commitments of approximately Baht 24 million (31 December 2013: Baht 32 million), relating to the construction and renovation of the building of the Hotel in Bangkok.

**18.2 Guarantee**

- (1) As at 30 September 2014, there were outstanding bank guarantees of approximately Baht 11 million (31 December 2013: Baht 12 million) issued by a bank on behalf of the Company in respect of electricity usage.
- (2) The Company has guaranteed loans of its two associated companies, Traders Yangon Company Limited and Shangri-La Yangon Company Limited, amounting to USD 11.77 million (equivalent to approximately Baht 382 million) and USD 6.67 million (equivalent of approximately Baht 217 million) (31 December 2013: Nil), respectively.

**19. Foreign currency risk**

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries as at 30 September 2014 and 31 December 2013 are summarised below.

| Consolidated financial statements |                               |                              |                               |                              |                                    |                              |
|-----------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|------------------------------------|------------------------------|
| Foreign currency                  | Financial assets              |                              | Financial liabilities         |                              | Average exchange rate              |                              |
|                                   | As at<br>30 September<br>2014 | As at<br>31 December<br>2013 | As at<br>30 September<br>2014 | As at<br>31 December<br>2013 | As at<br>30 September<br>2014      | As at<br>31 December<br>2013 |
|                                   | (Million)                     | (Million)<br>(Audited)       | (Million)                     | (Million)<br>(Audited)       | (Baht per 1 foreign currency unit) |                              |
| USD                               | 50                            | 41                           | -                             | -                            | 32.3733                            | 32.8136                      |

  

| Separate financial statements |                               |                              |                               |                              |                                    |                              |
|-------------------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|------------------------------------|------------------------------|
| Foreign currency              | Financial assets              |                              | Financial liabilities         |                              | Average exchange rate              |                              |
|                               | As at<br>30 September<br>2014 | As at<br>31 December<br>2013 | As at<br>30 September<br>2014 | As at<br>31 December<br>2013 | As at<br>30 September<br>2014      | As at<br>31 December<br>2013 |
|                               | (Million)                     | (Million)<br>(Audited)       | (Million)                     | (Million)<br>(Audited)       | (Baht per 1 foreign currency unit) |                              |
| USD                           | 5                             | 5                            | 15                            | 15                           | 32.3733                            | 32.8136                      |

**20. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 November 2014.