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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

(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 & CEO)
Ms KUOK Hui Kwong (Deputy Chairman)
Mr LIU Kung Wei Christopher (MD & COO)
Mr LUI Man Shing
Mr Madhu Rama Chandra RAO

Independent non-executive directors

Mr Alexander Reid HAMILTON
Mr Timothy David DATTELS
Professor LI Kwok Cheung Arthur
Dr LEE Kai-Fu

Non-executive directors

Mr HO Kian Guan
Mr LIM Beng Chee
Mr HO Chung Tao (alternate to Mr HO Kian Guan)

Hong Kong, 14 November 2016

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 2016

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 2016, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2016, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month periods 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 Thai 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*.

Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

EY Office Limited
Bangkok: 14 November 2016

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,314,666	1,837,829	256,519	567,443
Current investments - fixed deposits					
with financial institutions		1,993,900	1,550,000	1,985,000	1,545,000
Trade and other receivables	4	119,705	170,011	118,072	169,625
Inventories		36,056	42,183	36,056	42,183
Other current assets		3,390	5,846	3,373	5,827
Total current assets		3,467,717	3,605,869	2,399,020	2,330,078
Non-current assets					
Investments in subsidiaries	5	-	-	1,303,000	1,303,000
Investments in associates	6	-	-	-	-
Other long-term investments					
Investments in related party	8	397,891	369,292	-	-
Investment in other company	9	131,151	131,151	-	-
Long-term loans to and interest receivables					
from related parties	3	2,240,392	2,093,459	-	-
Property, plant and equipment	10	2,061,201	2,160,301	2,059,348	2,158,448
Intangible assets		2,273	3,079	2,273	3,079
Deferred tax assets		38,652	39,840	22,250	23,437
Other non-current assets		13,066	5,772	13,066	5,772
Total non-current assets		4,884,626	4,802,894	3,399,937	3,493,736
Total assets		8,352,343	8,408,763	5,798,957	5,823,814

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 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	11	266,888	335,424	234,347	296,303
Short-term loans from related party	3	-	-	522,600	543,000
Income tax payable		23,581	57,350	21,906	55,760
Other current liabilities	12	124,021	126,995	124,021	126,995
Total current liabilities		414,490	519,769	902,874	1,022,058
Non-current liabilities					
Provision for long-term employee benefits	13	63,872	61,399	63,872	61,399
Rental deposits		16,189	15,785	16,189	15,785
Total non-current liabilities		80,061	77,184	80,061	77,184
Total liabilities		494,551	596,953	982,935	1,099,242
Shareholders' equity					
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		3,829,337	3,755,887	1,803,567	1,712,117
Other components of shareholders' equity		982,886	1,017,301	(7,945)	(7,945)
Equity attributable to owners of the Company		7,832,623	7,793,588	4,816,022	4,724,572
Non-controlling interests of the subsidiary		25,169	18,222	-	-
Total shareholders' equity		7,857,792	7,811,810	4,816,022	4,724,572
Total liabilities and shareholders' equity		8,352,343	8,408,763	5,798,957	5,823,814
		-	-	-	-

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 2016

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

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Revenues from hotel operations		493,320	549,264	493,320	549,264
Other income					
Interest income		21,472	19,835	9,179	9,515
Exchange gains		24,682	49,529	-	-
Others		8,859	4,047	5,790	3,644
Total revenues		548,333	622,675	508,289	562,423
Expenses					
Cost of hotel operations		180,045	192,351	180,045	192,351
Selling expenses		35,118	40,227	35,118	40,227
Administrative expenses		134,521	136,111	134,214	135,751
Depreciation and amortisation expenses		64,568	82,152	64,568	82,152
Total expenses		414,252	450,841	413,945	450,481
Profit before finance cost and income tax expenses		134,081	171,834	94,344	111,942
Finance cost	14	-	-	6,900	(39,300)
Profit before income tax expenses		134,081	171,834	101,244	72,642
Income tax expenses	15	(22,775)	(15,632)	(20,194)	(14,236)
Profit for the period		111,306	156,202	81,050	58,406
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		(91,105)	165,005	-	-
Gain (loss) on changes in value of available-for-sale investments		33,965	(192,090)	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(57,140)	(27,085)	-	-
Other comprehensive income for the period		(57,140)	(27,085)	-	-
Total comprehensive income for the period		54,166	129,117	81,050	58,406

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 2016

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit attributable to:				
Equity holders of the Company	112,080	156,204	<u>81,050</u>	<u>58,406</u>
Non-controlling interests of the subsidiary	<u>(774)</u>	<u>(2)</u>		
	<u>111,306</u>	<u>156,202</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	54,940	129,119	<u>81,050</u>	<u>58,406</u>
Non-controlling interests of the subsidiary	<u>(774)</u>	<u>(2)</u>		
	<u>54,166</u>	<u>129,117</u>		
Earnings per share				
Basic earnings per share	16			
Profit attributable to equity holders of the Company	<u>0.86</u>	<u>1.20</u>	<u>0.62</u>	<u>0.45</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 2016

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

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Revenues from hotel operations		1,583,776	1,708,641	1,583,776	1,708,641
Other income					
Gains on sales of investment in available-for-sale securities	7	-	26,143	-	26,143
Interest income		67,865	55,969	29,683	27,107
Exchange gains		-	65,381	-	-
Others		35,122	26,458	14,903	15,065
Total revenues		1,686,763	1,882,592	1,628,362	1,776,956
Expenses					
Cost of hotel operations		522,857	542,818	522,857	542,818
Selling expenses		101,408	101,299	101,408	101,299
Administrative expenses		400,478	388,414	390,344	381,912
Depreciation and amortisation expenses		194,422	248,260	194,422	248,260
Exchange losses		35,392	-	-	-
Total expenses		1,254,557	1,280,791	1,209,031	1,274,289
Profit before finance cost and income tax expenses		432,206	601,801	419,331	502,667
Finance cost	14	-	-	20,400	(51,900)
Profit before income tax expenses		432,206	601,801	439,731	450,767
Income tax expenses	15	(91,809)	(92,312)	(88,281)	(89,633)
Profit for the period		340,397	509,489	351,450	361,134
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		(78,447)	219,989	-	-
Gain (loss) on changes in value of available-for-sale investments		44,032	(178,162)	-	5,447
Reversal of gains on changes in value of available-for-sale investments	7	-	(26,143)	-	(26,143)
Less: Income tax effect	15	-	4,139	-	4,139
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(34,415)	19,823	-	(16,557)
Other comprehensive income for the period		(34,415)	19,823	-	(16,557)
Total comprehensive income for the period		305,982	529,312	351,450	344,577

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 2016

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit attributable to:				
Equity holders of the Company	333,450	505,408	<u>351,450</u>	<u>361,134</u>
Non-controlling interests of the subsidiary	<u>6,947</u>	<u>4,081</u>		
	<u>340,397</u>	<u>509,489</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	299,035	525,231	<u>351,450</u>	<u>344,577</u>
Non-controlling interests of the subsidiary	<u>6,947</u>	<u>4,081</u>		
	<u>305,982</u>	<u>529,312</u>		
Earnings per share				
Basic earnings per share	16			
Profit attributable to equity holders of the Company			<u>2.57</u>	<u>3.89</u>
			<u>2.70</u>	<u>2.78</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

For the nine-month period ended 30 September 2016

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
					Other components of shareholders' equity							
					Other comprehensive income							
					Exchange	Surplus on changes in value		Actuarials loss	Total other	Total equity	Equity attributable	Total
Issued and		Retained earnings			differences on	of available-for-sale investments		on defined	components of	attributable to	to non-controlling	shareholders'
share capital	Share premium	Appropriated	Unappropriated	foreign currency	translation of	Other	Related	employee	shareholders'	owners of	interests of	equity
					financial	company	company	benefit plans	equity	the Company	the subsidiary	equity
Balance as at 1 January 2015	1,300,000	1,590,400	130,000	3,187,933	838,496	16,557	120,991	(4,730)	971,314	7,179,647	14,144	7,193,791
Profit for the period	-	-	-	505,408	-	-	-	-	-	505,408	4,081	509,489
Other comprehensive income for the period	-	-	-	-	219,989	(16,557)	(183,609)	-	19,823	19,823	-	19,823
Total comprehensive income for the period	-	-	-	505,408	219,989	(16,557)	(183,609)	-	19,823	525,231	4,081	529,312
Dividend paid (Note 18)	-	-	-	(97,500)	-	-	-	-	-	(97,500)	-	(97,500)
Balance as at 30 September 2015	1,300,000	1,590,400	130,000	3,595,841	1,058,485	-	(62,618)	(4,730)	991,137	7,607,378	18,225	7,625,603
Balance as at 1 January 2016	1,300,000	1,590,400	130,000	3,755,887	1,045,789	-	(20,543)	(7,945)	1,017,301	7,793,588	18,222	7,811,810
Profit for the period	-	-	-	333,450	-	-	-	-	-	333,450	6,947	340,397
Other comprehensive income for the period	-	-	-	-	(78,447)	-	44,032	-	(34,415)	(34,415)	-	(34,415)
Total comprehensive income for the period	-	-	-	333,450	(78,447)	-	44,032	-	(34,415)	299,035	6,947	305,982
Dividend paid (Note 18)	-	-	-	(260,000)	-	-	-	-	-	(260,000)	-	(260,000)
Balance as at 30 September 2016	1,300,000	1,590,400	130,000	3,829,337	967,342	-	23,489	(7,945)	982,886	7,832,623	25,169	7,857,792

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 2016

(Unit: Thousand Baht)

Separate financial statements									
				Other components of shareholders' equity					
				Other comprehensive income					
				Surplus					
				on changes		Actuarials loss	Total other		
Issued and		Retained earnings		in value of	on defined	components of		Total	
fully paid-up		Appropriated		available-for-sale	employee	shareholders'		shareholders'	
share capital	Share premium	Unappropriated	investments	benefit plans	equity	equity		equity	
Balance as at 1 January 2015	1,300,000	1,590,400	130,000	1,289,497	16,557	(4,730)	11,827	4,321,724	
Profit for the period	-	-	-	361,134	-	-	-	361,134	
Other comprehensive income for the period	-	-	-	-	(16,557)	-	(16,557)	(16,557)	
Total comprehensive income for the period	-	-	-	361,134	(16,557)	-	(16,557)	344,577	
Dividend paid (Note 18)	-	-	-	(97,500)	-	-	-	(97,500)	
Balance as at 30 September 2015	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>1,553,131</u>	<u>-</u>	<u>(4,730)</u>	<u>(4,730)</u>	<u>4,568,801</u>	
Balance as at 1 January 2016	1,300,000	1,590,400	130,000	1,712,117	-	(7,945)	(7,945)	4,724,572	
Total comprehensive income for the period	-	-	-	351,450	-	-	-	351,450	
Dividend paid (Note 18)	-	-	-	(260,000)	-	-	-	(260,000)	
Balance as at 30 September 2016	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>1,803,567</u>	<u>-</u>	<u>(7,945)</u>	<u>(7,945)</u>	<u>4,816,022</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 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Cash flows from operating activities					
Profit before tax		432,206	601,801	439,731	450,767
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation		194,422	248,260	194,422	248,260
Allowance for doubtful accounts (reversal)		(728)	393	(728)	393
Reversal of reduction of inventory to net realisable value		(91)	(12)	(91)	(12)
Reversal of allowance for interest receivables		-	-	(9,173)	(5,446)
Gain on sales of equipment		(480)	(688)	(480)	(688)
Gains on sales of investment in available-for-sale securities	7	-	(26,143)	-	(26,143)
Provision for long-term employee benefits		5,564	5,135	5,564	5,135
Unrealised exchange losses (gains)		98,674	(210,239)	(20,400)	51,900
Dividend income		(20,504)	(13,399)	-	-
Interest income		(67,865)	(55,969)	(29,683)	(27,107)
Profit from operating activities before changes in operating assets and liabilities		641,198	549,139	579,162	697,059
Operating assets (increase) decrease					
Trade and other receivables		47,455	61,596	47,471	61,596
Inventories		6,218	680	6,218	680
Other current assets		(853)	(1,252)	(853)	(1,252)
Other non-current assets		(7,294)	(5,577)	(7,294)	(5,578)
Operating liabilities increase (decrease)					
Trade and other payables		(61,571)	(24,339)	(54,991)	(20,668)
Other current liabilities		(2,974)	(6,609)	(2,974)	(6,609)
Provision for long-term employee benefits		(3,091)	(2,284)	(3,091)	(2,284)
Other non-current liabilities		405	(531)	405	(531)
Cash flows from operating activities		619,493	570,823	564,053	722,413
Cash paid for corporate income tax		(121,055)	(56,492)	(117,640)	(54,072)
Net cash flows from operating activities		498,438	514,331	446,413	668,341

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 2016

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from investing activities					
Cash paid for current investments - net		(443,900)	(705,390)	(440,000)	(710,000)
Proceeds from sales of investment in available-for-sale securities	7	-	76,249	-	76,249
Net cash received from purchases of investment in subsidiary		-	10	-	-
Increase in loans to related parties		(204,204)	(214,324)	-	-
Cash received from loans to related parties		-	161,728	-	-
Cash received from interest receivables from related party		-	-	9,173	5,446
Cash received from interest income		45,448	29,746	34,492	19,891
Dividend income		20,504	13,399	-	-
Acquisitions of plant and equipment		(101,698)	(64,777)	(101,698)	(64,777)
Proceeds from sales of quipment		696	694	696	694
Net cash flows used in investing activities		(683,154)	(702,665)	(497,337)	(672,497)
Cash flows from financing activities					
Dividend paid		(260,000)	(97,500)	(260,000)	(97,500)
Net cash flows used in financing activities		(260,000)	(97,500)	(260,000)	(97,500)
Increase (decrease) in translation adjustments		(78,447)	219,989	-	-
Net decrease in cash and cash equivalents		(523,163)	(65,845)	(310,924)	(101,656)
Cash and cash equivalents at beginning of period		1,837,829	1,929,883	567,443	499,812
Cash and cash equivalents at end of period		1,314,666	1,864,038	256,519	398,156
		-		-	
Supplemental cash flow information					
Non-cash transactions					
Payable from purchases of plant and equipment		6,966	2,524	6,966	2,524

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 2016

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 2015) “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 2015. There have been no changes in the composition of the Group during the current period.

1.3 New financial reporting standards

During the period, the Company has adopted the revised and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

2. 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 2015.

3. 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transactions with associated companies</u>					
Interest income	9	6	-	-	At rates of 0.56 to 2.05 percent per annum
<u>Transactions with related companies</u>					
Revenue from hotel operations	5	4	5	4	Normal business price
Management fees	16	18	16	18	Contract price
Marketing and promotion fees	5	5	5	5	Contract price
Advertising and reservation fees	4	4	4	4	Contract price

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transactions with associated companies</u>					
Interest income	26	19	-	-	At rates of 0.56 to 2.05 percent per annum
<u>Transactions with related companies</u>					
Revenue from hotel operations	16	11	16	11	Normal business price
Dividend income	2	3	-	-	As announcement
Management fees	52	55	52	55	Contract price
Marketing and promotion fees	16	17	16	17	Contract price
Advertising and reservation fees	13	13	13	13	Contract price

(Unaudited but reviewed)

The balances of the accounts between the Company and these related companies as at 30 September 2016 and 31 December 2015 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<u>Other receivables - related parties (Note 4)</u>				
Associated company				
Traders Yangon Company Limited	3,462	2,218	3,462	2,218
Related companies				
Others	2,748	851	2,748	851
Total other receivables - related parties	<u>6,210</u>	<u>3,069</u>	<u>6,210</u>	<u>3,069</u>
<u>Interest receivables from related party</u>				
Subsidiary				
TRR-Kerry Development Company Limited	-	-	41,977	51,150
Less: Allowance for doubtful of interest receivables	-	-	(41,977)	(51,150)
Total interest receivables from related party - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Long-term loans to and interest receivables from related parties</u>				
Associated companies				
Non-interest bearing				
Traders Square Company Limited	46,995	48,932	-	-
	<u>46,995</u>	<u>48,932</u>	<u>-</u>	<u>-</u>
Interest bearing				
Shangri-La Yangon Company Limited	767,629	789,336	-	-
Traders Yangon Company Limited	530,282	546,567	-	-
Traders Square Company Limited	895,486	708,624	-	-
	<u>2,193,397</u>	<u>2,044,527</u>	<u>-</u>	<u>-</u>
Total long-term loans to and interest receivables from related parties	<u>2,240,392</u>	<u>2,093,459</u>	<u>-</u>	<u>-</u>

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<u>Other payables - related parties (Note 11)</u>				
Related companies				
Shangri-La International Hotel Management Limited				
	15,729	14,393	15,729	14,393
Shangri-La International Hotel Management BV				
	8,718	10,528	8,718	10,528
Others				
	-	1,213	-	1,213
Total other payables - related parties	<u>24,447</u>	<u>26,134</u>	<u>24,447</u>	<u>26,134</u>
<u>Short-term loan from related party</u>				
Subsidiary				
Hasfield Holdings Pte., Ltd.				
	-	-	522,600	543,000
	-	-	522,600	543,000

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	Balance
	as at	during	during	as at
	1 January 2016	the current	the current	30 September 2016
		period	period	Loss on
				exchange
<u>Interest receivables from related party</u>				
Subsidiary				
TRR-Kerry Development Company Limited				
	51,150	-	(9,173)	-
Total interest receivables from related party	<u>51,150</u>	<u>-</u>	<u>(9,173)</u>	<u>41,977</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements				
	Increase	Decrease		
Balance	during	during	Loss on	Balance
as at	the current	the current	exchange	as at
1 January 2016	period	period		30 September 2016
<u>Long-term loans to and interest</u>				
<u>receivables from related parties</u>				
Associated companies				
Non-interest bearing				
Traders Square Company Limited	48,932	-	(1,937)	46,995
Interest bearing				
Shangri-La Yangon Company Limited	789,336	9,688	(31,395)	767,629
Traders Yangon Company Limited	546,567	5,434	(21,719)	530,282
Traders Square Company Limited	708,624	215,079	(28,217)	895,486
Total long-term loans to and interest				
receivables from related parties	2,093,459	230,201	(83,268)	2,240,392

(Unit: Thousand Baht)

Separate financial statements				
	Increase	Decrease		
Balance	during	during	Gain on	Balance
as at	the current	the current	exchange	as at
1 January 2016	period	period		30 September 2016
<u>Short-term loans from related party</u>				
Subsidiary				
Hasfield Holdings Pte.,Ltd.	543,000	-	(20,400)	522,600
Total short-term loans from related party	543,000	-	(20,400)	522,600

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2016 and 2015, 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/ Separate financial statements	
	<u>2016</u>	<u>2015</u>
Short-term employee benefits	12,834	12,503
Post-employment benefits	808	1,074
Total	<u>13,642</u>	<u>13,577</u>

	(Unit: Thousand Baht)	
	For the nine-month periods ended 30 September	
	Consolidated financial statements/ Separate financial statements	
	<u>2016</u>	<u>2015</u>
Short-term employee benefits	40,605	36,651
Post-employment benefits	2,703	2,688
Total	<u>43,308</u>	<u>39,339</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 19.2 to the financial statements.

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<u>Trade receivables - unrelated parties</u>				
Age on the basis of invoice date				
Less than 120 days	83,796	135,954	83,796	135,954
120 - 180 days	76	2,462	76	2,462
Over 180 days	403	865	403	865
Total	84,275	139,281	84,275	139,281
Less: Allowance for doubtful debts	(239)	(967)	(239)	(967)
Total trade receivables - unrelated parties, net	84,036	138,314	84,036	138,314
<u>Other receivables</u>				
Other receivables - related parties (Note 3)	6,210	3,069	6,210	3,069
Other receivables - unrelated parties	17,342	15,612	15,725	15,226
Prepaid expenses	12,117	13,016	12,101	13,016
Total other receivables	35,669	31,697	34,036	31,311
Total trade and other receivables - net	119,705	170,011	118,072	169,625

5. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	30 September	31 December	30 September	31 December	30 September	31 December
	2016	2015	2016	2015	2016	2015
			(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 subsidiary					1,303,000	1,303,000

(Unaudited but reviewed)

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 2016	31 December 2015	30 September 2016	31 December 2015
					Percent	Percent
<u>Subsidiaries held through Town Development Company Limited</u>						
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
Hasfield Holdings Pte.,Ltd.	Holding investment	Singapore	SGD 34 million	SGD 34 million	100.00	100.00
Traders Hotel and Resort Limited	Not yet operated	Thailand	Baht 0.2 million	Baht 0.2 million	100.00	100.00
<u>Subsidiary held through Apizaco Limited</u>						
Zukerman Limited	Holding investment	British Virgin	USD 1	USD 1	100.00	100.00

6. Investments in associates

6.1 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 2016	31 December 2015	30 September 2016	31 December 2015	
				(Percent)	(Percent)	(Audited)	(Audited)	
<u>Associated companies (owned by Zukerman Limited)</u>								
Traders Yangon Company Limited	Hotel	Myanmar	23.53	23.53	30,964	32,241	-	-
Shangri-La Yangon Company Limited	Serviced apartments	Myanmar	22.22	22.22	18,303	19,057	-	-
Traders Square Company Limited	Not yet operated	Myanmar	23.56	23.56	730	760	-	-
Total					49,997	52,058	-	-

6.2 Exchange differences on translation of financial statements in foreign currency

During the periods, the Company has recognised exchange differences on translation of financial statements in foreign currency in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	For the three-month periods ended 30 September	
	2016	2015
Traders Square Company Limited	-	55
Total	-	55

(Unit: Thousand Baht)

Company's name	For the nine-month periods ended 30 September	
	2016	2015
Traders Square Company Limited	-	72
Total	-	72

6.3 Summarised financial information of associates

Financial information of the associated companies is summarised below.

(Unit: Thousand Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues for the nine-month periods ended		Profit (loss) for the nine-month periods ended	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September		30 September	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Traders Yangon Company Limited	USD 3.6 million	USD 3.6 million	2,643,269	3,115,498	4,315,180	4,847,107	610,626	719,553	(7,048)	35,668
Shangri-La Yangon Company Limited	USD 2.0 million	USD 2.0 million	4,303,941	4,649,096	4,646,545	4,958,874	477,042	436,779	(45,475)	(152,477)
Traders Square Company Limited	USD 0.1 million	USD 0.1 million	4,306,209	3,387,583	4,331,220	3,390,598	-	-	(22,472)	-

6.4 Investment in associates with capital deficit

The Company recognised share of losses from investment in three associates, as listed below, until the value of the investments approached zero. Subsequent losses incurred by those associates have not been recognised in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of those associates. The amount of such unrecognised share of losses is set out below.

(Unit: Thousand Baht)

Company's name	Unrecognised share of losses		
	For the nine-month period ended	Cumulative unrecognised share of losses as at	
	30 September 2016	30 September 2016	31 December 2015
			(Audited)
Traders Yangon Company Limited	(1,658)	(399,543)	(397,885)
Shangri-La Yangon Company Limited	(10,105)	(73,663)	(63,558)
Traders Square Company Limited	(5,294)	(5,980)	(686)
Total	(17,057)	(479,186)	(462,129)

7. Investments in available-for-sale securities

In May 2015, the Company disposed of all ordinary shares of Post Publishing Public Company Limited, of which the fair value as at the disposal date amounted to Baht 76 million. The Company reversed gains on changes in value of available-for-sale investment in other comprehensive income in the shareholders' equity and recognised gains on sales of investment in available-for-sale securities of Baht 26 million as other income in the statement of comprehensive income.

8. Investments in related party

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 September 2016	31 December 2015
		(Audited)
Cost - Ordinary shares of Shangri-La Asia Limited	374,403	389,835
Less: Unrealised gain (loss) on changes in value of investments	23,488	(20,543)
Fair value	397,891	369,292

(Unaudited but reviewed)

9. Investments in other company - Net

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 September 2016	31 December 2015
		(Audited)
Cost - Ordinary shares of Don Muang Tollway Public 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>

10. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2016	2,160,301	2,158,448
Acquisitions during the period - at cost	94,143	94,143
Disposals during the period - net book value at disposal date	(216)	(216)
Depreciation for the period	(193,027)	(193,027)
Net book value as at 30 September 2016	<u>2,061,201</u>	<u>2,059,348</u>

11. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Audited)		(Audited)
Trade payables - unrelated parties	88,610	104,903	88,610	104,903
Other payables - related parties (Note 3)	24,447	26,134	24,447	26,134
Other payables - unrelated parties	11,316	15,062	11,316	15,062
Interest payables to non-controlling interests of subsidiary	31,711	38,538	-	-
Construction payables	2,600	9,566	2,600	9,566
Retention payables	4,688	4,014	4,688	4,014
Accrued expenses	103,516	137,207	102,686	136,624
Total trade and other payables	<u>266,888</u>	<u>335,424</u>	<u>234,347</u>	<u>296,303</u>

(Unaudited but reviewed)

12. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
Advances from customers	88,963	87,036	88,963	87,036
Others	35,058	39,959	35,058	39,959
Total other current liabilities	124,021	126,995	124,021	126,995

13. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits account during the nine-month period ended 30 September 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements
Balance as at 1 January 2016	61,399
Current service cost	4,365
Interest cost	1,199
Benefits paid during the period	(3,091)
Balance as at 30 September 2016	63,872

14. Finance cost

Finance cost for the three-month and nine-month periods ended 30 September 2016 and 2015 are summarised below:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Unrealised gain (loss) on exchange rate on short-term loan from related party	-	-	6,900	(39,300)
Total	-	-	6,900	(39,300)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Unrealised gain (loss) on exchange rate on short-term loan from related party	-	-	20,400	(51,900)
Total	-	-	20,400	(51,900)

15. 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 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Interim corporate income tax charge	(23,005)	(15,742)	(20,424)	(14,346)
Deferred tax:				
Relating to origination and reversal of temporary differences	230	110	230	110
Income tax expenses reported in the statements of comprehensive income	<u>(22,775)</u>	<u>(15,632)</u>	<u>(20,194)</u>	<u>(14,236)</u>

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Interim corporate income tax charge	(90,622)	(70,772)	(87,094)	(68,093)
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,187)	(21,540)	(1,187)	(21,540)
Income tax expenses reported in the statements of comprehensive income	<u>(91,809)</u>	<u>(92,312)</u>	<u>(88,281)</u>	<u>(89,633)</u>

The amounts of income tax relating to each component of other comprehensive income for the nine-month periods ended 30 September 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax relating to gain on changes in value of available-for-sale investments	-	4,139	-	4,139

16. 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	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit for the period (Thousand Baht)	112,080	156,204	81,050	58,406
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Earnings per share (Baht per share)	0.86	1.20	0.62	0.45

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit for the period (Thousand Baht)	333,450	505,408	351,450	361,134
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Earnings per share (Baht per share)	2.57	3.89	2.70	2.78

17. 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-months periods ended 30 September 2016 and 2015.

(Unit: Million Baht)

	For the three-month periods ended 30 September											
	Hotel business				Holding Investment	Total segments	Adjustments and		Consolidated			
	Hotel in Bangkok		Hotel in Chiangmai				eliminations					
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015		
Revenues												
External customers	375	427	118	122	-	-	493	549	-	-	493	549
Total revenues	375	427	118	122	-	-	493	549	-	-	493	549
Operating results												
Segment gross profit	232	273	81	84	-	-	313	357	-	-	313	357
Interest income	9	10	-	-	12	10	21	20	-	-	21	20
Exchange gains	-	-	-	-	25	50	25	50	-	-	25	50
Other income	4	4	2	-	3	-	9	4	-	-	9	4
Depreciation and amortisation expenses	(37)	(55)	(28)	(27)	-	-	(65)	(82)	-	-	(65)	(82)
Profit before income tax expenses	82	99	12	13	40	60	134	172	-	-	134	172
Income tax expenses	(18)	(14)	(2)	-	(3)	(2)	(23)	(16)	-	-	(23)	(16)
Profit for the period	64	85	10	13	37	58	111	156	-	-	111	156

(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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
Revenues												
External customers	1,226	1,352	358	357	-	-	1,584	1,709	-	-	1,584	1,709
Total revenues	<u>1,226</u>	<u>1,352</u>	<u>358</u>	<u>357</u>	<u>-</u>	<u>-</u>	<u>1,584</u>	<u>1,709</u>	<u>-</u>	<u>-</u>	<u>1,584</u>	<u>1,709</u>
Operating results												
Segment gross profit	812	914	249	252	-	-	1,061	1,166	-	-	1,061	1,166
Interest income	29	27	1	-	38	29	68	56	-	-	68	56
Exchange gains (losses)	-	-	-	-	(35)	65	(35)	65	-	-	(35)	65
Other income	12	40	3	1	20	12	35	52	-	-	35	53
Depreciation and amortisation expenses	(112)	(169)	(82)	(79)	-	-	(194)	(248)	-	-	(194)	(248)
Profit before income tax expenses	<u>369</u>	<u>450</u>	<u>42</u>	<u>47</u>	<u>21</u>	<u>104</u>	<u>432</u>	<u>601</u>	<u>-</u>	<u>-</u>	<u>432</u>	<u>601</u>
Income tax expenses	(80)	(89)	(8)	-	(4)	(3)	(92)	(92)	-	-	(92)	(92)
Profit for the period	<u>289</u>	<u>361</u>	<u>34</u>	<u>47</u>	<u>17</u>	<u>101</u>	<u>340</u>	<u>509</u>	<u>-</u>	<u>-</u>	<u>340</u>	<u>509</u>

18. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Final dividends for 2014	Annual General Meeting of the shareholders on 22 April 2015	98	0.75
Total dividends for 2015		98	0.75
Final dividends for 2015	Annual General Meeting of the shareholders on 28 April 2016	260	2.00
Total dividends for 2016		260	2.00

19. Commitments and contingent liabilities**19.1 Capital commitments**

As at 30 September 2016, the Company had capital commitments of approximately Baht 55 million (31 December 2015: Baht 40 million), relating to the construction and renovation of the building of the Hotel.

19.2 Guarantee

- (1) As at 30 September 2016, there were outstanding bank guarantees of approximately Baht 11 million (31 December 2015: Baht 11 million) issued by a bank on behalf of the Company in respect of electricity usage.
- (2) As at 30 September 2016 and 31 December 2015, 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 and USD 6.67 million, respectively, which is guaranteed loans with respect to the subsidiary's proportionate interest in these associates.

20. Foreign currency risk

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries as at 30 September 2016 and 31 December 2015 are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	As at	As at	As at	As at	As at	As at
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit)	
USD	66	59	-	-	34.6999	36.0886

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	As at	As at	As at	As at	As at	As at
	30 September 2016	31 December 2015	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit)	
USD	-	-	15	15	34.6999	36.0886

21. Fair value of financial instruments

As of 30 September 2016, the subsidiary had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments in related party				
Equity instruments	397,891	-	-	397,891

During the current period, there were no transfers within the fair value hierarchy.

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 November 2016.

To : Managing Director
The Stock Exchange of Thailand

Date : November 14, 2016

Re : Management Discussion and Analysis for the period ended September 30, 2016

The Board of Directors is pleased to announce the Company's results for the period ended September 30, 2016 as follows:-

Net profit after corporate income tax for the three-month period ended September 30, 2016 and 2015:

(Baht in million)	<u>2016</u>	<u>2015</u>	<u>Change (%)</u>
The Company	81.05	58.41	38.76%
Consolidated	112.08	156.20	(28.25%)

The Company:

The Company's profit before corporate income tax for the three-month period ended September 30, 2016 increased by Baht 28.60 million against the corresponding period last year. The increase in the Company's profit was mainly attributed to the increase in profit before corporate income tax of Shangri-La Hotel, Bangkok ("SLBK") by Baht 29.16 million and decrease in profit of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 0.56 million.

Revenues from hotel operation of SLBK decreased by Baht 51.47 million from Baht 426.86 million to Baht 375.39 million during the same period last year due to the decrease in room, food & beverages and other revenues which attributed to the lower occupancy. Gross profit before expenses decreased by Baht 41.02 million. Selling expenses decreased by Baht 5.20 million whereas administrative expenses increased by Baht 0.32 million. Depreciation expenses decreased by Baht 18.46 million against the same period last year due to the completion of depreciable life of furniture & fixtures. Finance cost decreased by Baht 46.20 million mainly due to unfavorable and unrealized exchange losses resulting from revaluation of loan in year 2015. As a result, the profit before corporate income tax increased by Baht 29.16 million from Baht 59.76 million to Baht 88.92 million.

Revenues from hotel operation of SLCM decreased by Baht 4.47 million from Baht 122.40 million to Baht 117.93 million during the same period last year. Gross profit before expenses decreased by Baht 2.62 million. Selling expenses increased by Baht 0.09 million whereas administrative expenses decreased by Baht 1.85 million. Depreciation expenses increased by Baht 0.87 million against the same period last year. As a result, the profit before corporate income tax decreased by Baht 0.56 million from Baht 12.88 million to Baht 12.32 million. Consequently, the total profit before corporate income tax of SLBK and SLCM increased by Baht 28.60 million from Baht 72.64 million to Baht 101.24 million. The corporate income tax increased by Baht 5.96 million. As a result, the Company recorded a net profit after tax of Baht 81.05 million for the three-month period ended September 30, 2016 from a profit of Baht 58.41 million against the corresponding period last year (increased by 38.76%).

Consolidated:

The consolidated profit before corporate income tax for the three-month period ended September 30, 2016 decreased by Baht 37.75 million against the corresponding period last year. The decrease in consolidated profit before corporate income tax was due to the increase in the Company's profit before corporate income tax of Baht 28.60 million whereas profit of subsidiaries decreased by Baht 66.35 million which was largely due to exchange loss from loan to a related company. The corporate income tax increased by Baht 7.14 million. Overall, the consolidated net profit after tax for the three-month period ended September 30, 2016 decreased by Baht 44.12 million against the corresponding period last year (decreased by 28.25%).

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Net profit after corporate income tax for the nine-month period ended September 30, 2016 and 2015:

(Baht in million)	<u>2016</u>	<u>2015</u>	<u>Change (%)</u>
The Company	351.45	361.13	(2.68%)
Consolidated	333.45	505.41	(34.02%)

The Company:

The Company's profit before corporate income tax for the nine-month period ended September 30, 2016 decreased by Baht 11.04 million against the corresponding period last year. The decrease in the Company's profit was mainly attributed to the decrease in profit before corporate income tax of SLBK by Baht 6.04 million and decrease in profit of SLCM by Baht 5 million.

Revenues from hotel operation of SLBK decreased by Baht 125.97 million from Baht 1,351.77 million to Baht 1,225.80 million during the same period last year due to the decrease in room, food & beverages and other revenues which attributed to the lower occupancy. Gross profit before expenses decreased by Baht 102.34 million. Selling expenses decreased by Baht 2.44 million whereas administrative expenses increased by Baht 10.25 million. Depreciation expenses decreased by Baht 56.70 million against the same period last year due to the completion of depreciable life of furniture & fixtures. Finance cost decreased by Baht 72.30 million mainly due to unfavorable and unrealized exchange losses resulting from revaluation of loan in year 2015. As a result, the profit before corporate income tax decreased by Baht 6.04 million from Baht 403.55 million to Baht 397.51 million.

Revenues from hotel operation of SLCM increased by Baht 1.11 million from Baht 356.87 million to Baht 357.98 million during the same period last year. Gross profit before expenses decreased by Baht 2.56 million. Selling expenses increased by Baht 2.55 million whereas administrative expenses decreased by Baht 1.81 million. Depreciation expenses increased by Baht 2.86 million against the same period last year. As a result, the profit before corporate income tax decreased by Baht 5 million from Baht 47.22 million to Baht 42.22 million. Consequently, the total profit before corporate income tax of SLBK and SLCM decreased by Baht 11.04 million from Baht 450.77 million to Baht 439.73 million. The corporate income tax decreased by Baht 1.35 million. As a result, the Company recorded a net profit after tax of Baht 351.45 million for the nine-month period ended September 30, 2016 from a profit of Baht 361.13 million against the corresponding period last year (decreased by 2.68%).

Consolidated:

The consolidated profit before corporate income tax for the nine-month period ended September 30, 2016 decreased by Baht 169.60 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 11.04 million plus the decrease in profit of subsidiaries of Baht 158.56 million. The decrease in profit of subsidiaries was largely due to exchange loss from loan to a related company. As a result, the corporate income tax decreased by Baht 0.50 million. Overall, the consolidated net profit after tax for the nine-month period ended September 30, 2016 decreased by Baht 171.96 million against the corresponding period last year (decreased by 34.02%).

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	2016	2015	2016	2015
Net profit (loss)	112,080	156,204	333,450	505,408
EPS (baht)	0.86	1.20	2.57	3.89

The Company Financial Statement

	Quarter 3		For 9 Months	
Status	Reviewed		Reviewed	
Ending	30 September		30 September	
Year	2016	2015	2016	2015
Net profit (loss)	81,050	58,406	351,450	361,134
EPS (baht)	0.62	0.45	2.70	2.78

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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