

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 director(s)

*Ms KUOK Hui Kwong (Chairman)
Mr LIM Beng Chee (CEO)
Mr LUI Man Shing*

Independent non-executive director(s)

*Mr Alexander Reid HAMILTON
Professor LI Kwok Cheung Arthur
Dr LEE Kai-Fu
Mr YAP Chee Keong*

Non-executive director(s)

Mr HO Kian Guan (alternate – Mr HO Chung Tao)

Hong Kong, 6 August 2018

Shangri-La Hotel Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month and six-month periods ended
30 June 2018

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 June 2018, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2018, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-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 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: 6 August 2018

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 June 2018</u>	<u>31 December 2017</u>	<u>30 June 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,213,146	846,940	92,039	103,282
Current investments - fixed deposits					
with financial institutions		3,028,128	3,259,879	3,005,000	2,870,000
Trade and other receivables	4	108,695	189,278	108,141	186,201
Inventories		25,865	28,977	25,865	28,977
Other current assets		496	595	477	575
Total current assets		4,376,330	4,325,669	3,231,522	3,189,035
Non-current assets					
Investments in subsidiaries	5	-	-	1,303,000	1,303,000
Investments in associates	6	-	-	-	-
Other long-term investments					
Investment in related party	7	654,965	776,109	-	-
Investment in other company	8	131,151	131,151	-	-
Long-term loans to and interest receivables					
from related parties	3	2,082,905	2,043,660	-	-
Property, plant and equipment	9	1,846,784	1,917,863	1,844,930	1,916,009
Intangible assets		4,647	3,148	4,647	3,148
Deferred tax assets		35,471	36,899	19,068	20,496
Other non-current assets		18,880	18,858	18,880	18,858
Total non-current assets		4,774,803	4,927,688	3,190,525	3,261,511
Total assets		9,151,133	9,253,357	6,422,047	6,450,546

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

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2018

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 June 2018</u>	<u>31 December 2017</u>	<u>30 June 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	10	224,689	331,811	208,653	310,059
Short-term loan from related party	3	-	-	499,950	492,450
Income tax payable		91,602	81,005	88,619	78,797
Other current liabilities	11	131,436	155,018	130,436	155,018
Total current liabilities		447,727	567,834	927,658	1,036,324
Non-current liabilities					
Provision for long-term employee benefits	12	71,592	71,073	71,592	71,073
Rental deposits		21,562	17,241	21,562	17,241
Total non-current liabilities		93,154	88,314	93,154	88,314
Total liabilities		540,881	656,148	1,020,812	1,124,638
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		4,492,990	4,362,458	2,388,780	2,313,453
Other components of shareholders' equity		1,055,357	1,178,975	(7,945)	(7,945)
Equity attributable to owners of the Company		8,568,747	8,561,833	5,401,235	5,325,908
Non-controlling interests of the subsidiary		41,505	35,376	-	-
Total shareholders' equity		8,610,252	8,597,209	5,401,235	5,325,908
Total liabilities and shareholders' equity		9,151,133	9,253,357	6,422,047	6,450,546
		-	-	-	-

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 June 2018**

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

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit or loss:					
Revenues					
Revenues from hotel operations		513,600	452,719	513,600	452,719
Other income					
Interest income		24,249	21,414	11,255	10,079
Gain on exchange		30,166	-	-	-
Others		27,230	25,085	6,568	5,316
Total revenues		<u>595,245</u>	<u>499,218</u>	<u>531,423</u>	<u>468,114</u>
Expenses					
Cost of hotel operations		175,843	158,676	175,843	158,676
Selling expenses		32,092	26,202	32,092	26,202
Administrative expenses		134,081	129,448	125,451	120,822
Depreciation and amortisation expenses		56,454	65,138	56,454	65,138
Loss on exchange		-	19,168	-	-
Total expenses		<u>398,470</u>	<u>398,632</u>	<u>389,840</u>	<u>370,838</u>
Profit before finance cost and income tax expenses		<u>196,775</u>	<u>100,586</u>	<u>141,583</u>	<u>97,276</u>
Finance income (cost)	13	-	-	(29,250)	6,600
Profit before income tax expenses		<u>196,775</u>	<u>100,586</u>	<u>112,333</u>	<u>103,876</u>
Income tax expenses	14	(25,403)	(22,717)	(22,396)	(20,716)
Profit for the period		<u>171,372</u>	<u>77,869</u>	<u>89,937</u>	<u>83,160</u>
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		138,739	(27,854)	-	-
Gain (loss) on changes in value of available-for-sale investments		(25,038)	85,968	-	-
Other comprehensive income for the period		<u>113,701</u>	<u>58,114</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>285,073</u>	<u>135,983</u>	<u>89,937</u>	<u>83,160</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 (continued)

For the three-month period ended 30 June 2018

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit attributable to:				
Equity holders of the Company	165,237	71,733	<u>89,937</u>	<u>83,160</u>
Non-controlling interests of the subsidiary	<u>6,135</u>	<u>6,136</u>		
	<u>171,372</u>	<u>77,869</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	278,938	129,847	<u>89,937</u>	<u>83,160</u>
Non-controlling interests of the subsidiary	<u>6,135</u>	<u>6,136</u>		
	<u>285,073</u>	<u>135,983</u>		
Earnings per share				
Basic earnings per share	15			
Profit attributable to equity holders of the Company	<u>1.27</u>	<u>0.55</u>	<u>0.69</u>	<u>0.64</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 six-month period ended 30 June 2018**

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

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit or loss:					
Revenues					
Revenues from hotel operations		1,266,097	1,112,378	1,266,097	1,112,378
Other income					
Interest income		46,873	42,334	22,401	19,754
Gain on exchange		21,023	-	-	-
Others		35,207	31,361	14,544	11,265
Total revenues		1,369,200	1,186,073	1,303,042	1,143,397
Expenses					
Cost of hotel operations		381,407	352,162	381,407	352,162
Selling expenses		73,396	67,877	73,396	67,877
Administrative expenses		275,313	265,666	266,394	256,592
Depreciation and amortisation expenses		114,700	129,886	114,700	129,886
Loss on exchange		-	54,452	-	-
Total expenses		844,816	870,043	835,897	806,517
Profit before finance cost and income tax expenses		524,384	316,030	467,145	336,880
Finance income (cost)	13	-	-	(7,500)	27,450
Profit before income tax expenses		524,384	316,030	459,645	364,330
Income tax expenses	14	(95,223)	(75,032)	(91,818)	(72,746)
Profit for the period		429,161	240,998	367,827	291,584
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		1,326	(111,175)	-	-
Gain (loss) on changes in value of available-for-sale investments		(124,944)	230,410	-	-
Other comprehensive income for the period		(123,618)	119,235	-	-
Total comprehensive income for the period		305,543	360,233	367,827	291,584

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 six-month period ended 30 June 2018

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit attributable to:				
Equity holders of the Company	423,032	234,868	<u>367,827</u>	<u>291,584</u>
Non-controlling interests of the subsidiary	<u>6,129</u>	<u>6,130</u>		
	<u>429,161</u>	<u>240,998</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	299,414	354,103	<u>367,827</u>	<u>291,584</u>
Non-controlling interests of the subsidiary	<u>6,129</u>	<u>6,130</u>		
	<u>305,543</u>	<u>360,233</u>		
Earnings per share				
Basic earnings per share	15			
Profit attributable to equity holders of the Company	<u>3.25</u>	<u>1.81</u>	<u>2.83</u>	<u>2.24</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 six-month period ended 30 June 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities				
Profit before tax	524,384	316,030	459,645	364,330
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation expenses	114,700	129,886	114,700	129,886
Allowance for doubtful accounts	286	586	286	586
Reversal of reduction of inventory to net realisable value	(163)	-	(163)	-
Reversal of allowance for interest receivables	-	-	(8,198)	(8,313)
Gain on sales of equipment	(611)	(169)	(611)	(169)
Provision for long-term employee benefits	3,981	3,876	3,981	3,876
Unrealised (gain) loss on exchange	-	-	7,500	(27,450)
Dividend income	(20,663)	(19,739)	-	-
Interest income	(46,873)	(42,334)	(22,401)	(19,754)
Profit from operating activities before changes in operating assets and liabilities	575,041	388,136	554,739	442,992
Operating assets (increase) decrease				
Trade and other receivables	73,798	55,054	73,790	55,045
Inventories	3,276	1,217	3,276	1,217
Other current assets	98	(1,897)	96	(1,897)
Other non-current assets	(22)	(925)	(22)	(925)
Operating liabilities increase (decrease)				
Trade and other payables	(107,278)	(76,441)	(101,561)	(70,589)
Other current liabilities	(23,582)	13,940	(24,581)	12,927
Provision for long-term employee benefits	(3,462)	(282)	(3,462)	(282)
Other non-current liabilities	4,319	411	4,319	411
Cash flows from operating activities	522,188	379,213	506,594	438,899
Cash paid for corporate income tax	(83,198)	(50,752)	(80,568)	(48,022)
Net cash flows from operating activities	438,990	328,461	426,026	390,877

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 six-month period ended 30 June 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
(Increase) decrease in current investments	231,752	(128,500)	(135,000)	(115,000)
Cash received from interest receivable from related party	-	-	8,198	8,313
Cash received from interest income	37,040	21,052	26,386	16,088
Dividend income	20,663	19,739	-	-
Acquisitions of plant and equipment	(42,226)	(33,778)	(42,226)	(33,778)
Acquisitions of intangible assets	(2,794)	-	(2,794)	-
Proceeds from sales of quipment	667	5,786	667	5,786
Net cash flows from (used in) investing activities	<u>245,102</u>	<u>(115,701)</u>	<u>(144,769)</u>	<u>(118,591)</u>
Cash flows from financing activities				
Dividend paid	(292,500)	(260,000)	(292,500)	(260,000)
Net cash flows used in financing activities	<u>(292,500)</u>	<u>(260,000)</u>	<u>(292,500)</u>	<u>(260,000)</u>
Increase (decrease) in translation adjustments	<u>(25,386)</u>	<u>46,019</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>366,206</u>	<u>(1,221)</u>	<u>(11,243)</u>	<u>12,286</u>
Cash and cash equivalents at beginning of period	<u>846,940</u>	<u>1,211,754</u>	<u>103,282</u>	<u>170,724</u>
Cash and cash equivalents at end of period	<u>1,213,146</u>	<u>1,210,533</u>	<u>92,039</u>	<u>183,010</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 six-month period ended 30 June 2018

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
				Other components of shareholders' equity							
				Other comprehensive income							
				Exchange	Surplus on						
				differences on	changes						
				translation of	in value of	Actuarials loss	Total other	Total equity	Equity attributable		
				financial	available-for-sale	on defined	components of	attributable to	to non-controlling	Total	
				statements in	investments -	employee	shareholders'	owners of	interests of	shareholders'	
Issued and	Retained earnings			foreign currency	related company	benefit plans	equity	the Company	the subsidiary	equity	
fully paid-up	Share premium	Appropriated	Unappropriated								
share capital											
Balance as at 1 January 2017	1,300,000	1,590,400	130,000	4,072,863	958,012	8,736	(7,945)	958,803	8,052,066	27,212	8,079,278
Profit for the period	-	-	-	234,868	-	-	-	-	234,868	6,130	240,998
Other comprehensive income for the period	-	-	-	-	(111,175)	230,410	-	119,235	119,235	-	119,235
Total comprehensive income for the period	-	-	-	234,868	(111,175)	230,410	-	119,235	354,103	6,130	360,233
Dividend paid (Note 17)	-	-	-	(260,000)	-	-	-	-	(260,000)	-	(260,000)
Balance as at 30 June 2017	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>4,047,731</u>	<u>846,837</u>	<u>239,146</u>	<u>(7,945)</u>	<u>1,078,038</u>	<u>8,146,169</u>	<u>33,342</u>	<u>8,179,511</u>
Balance as at 1 January 2018	1,300,000	1,590,400	130,000	4,362,458	760,675	426,245	(7,945)	1,178,975	8,561,833	35,376	8,597,209
Profit for the period	-	-	-	423,032	-	-	-	-	423,032	6,129	429,161
Other comprehensive income for the period	-	-	-	-	1,326	(124,944)	-	(123,618)	(123,618)	-	(123,618)
Total comprehensive income for the period	-	-	-	423,032	1,326	(124,944)	-	(123,618)	299,414	6,129	305,543
Dividend paid (Note 17)	-	-	-	(292,500)	-	-	-	-	(292,500)	-	(292,500)
Balance as at 30 June 2018	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>4,492,990</u>	<u>762,001</u>	<u>301,301</u>	<u>(7,945)</u>	<u>1,055,357</u>	<u>8,568,747</u>	<u>41,505</u>	<u>8,610,252</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 six-month period ended 30 June 2018

(Unit: Thousand Baht)

	Separate financial statements						
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		Total shareholders' equity
Appropriated			Unappropriated	Other comprehensive income	Total other components of shareholders' equity		
					Actuarials loss on defined employee benefit plans		
Balance as at 1 January 2017	1,300,000	1,590,400	130,000	1,942,656	(7,945)	(7,945)	4,955,111
Total comprehensive income for the period	-	-	-	291,584	-	-	291,584
Dividend paid (Note 17)	-	-	-	(260,000)	-	-	(260,000)
Balance as at 30 June 2017	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>1,974,240</u>	<u>(7,945)</u>	<u>(7,945)</u>	<u>4,986,695</u>
Balance as at 1 January 2018	1,300,000	1,590,400	130,000	2,313,453	(7,945)	(7,945)	5,325,908
Total comprehensive income for the period	-	-	-	367,827	-	-	367,827
Dividend paid (Note 17)	-	-	-	(292,500)	-	-	(292,500)
Balance as at 30 June 2018	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>2,388,780</u>	<u>(7,945)</u>	<u>(7,945)</u>	<u>5,401,235</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 six-month periods ended 30 June 2018

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 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 2017. There have been no changes in the composition of the Group during the current period.

1.4 New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standard that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

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 2017.

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 period ended 30 June				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with associated companies</u>					
Interest income	8	9	-	-	USD LIBOR and 0.92 to 2.05 percent per annum
<u>Transactions with related companies</u>					
Revenues from hotel operations	7	6	7	6	Normal business price
Management fees	17	15	17	15	Contract price
Marketing and promotion fees	5	5	5	5	Contract price
Advertising and reservation fees	3	4	3	4	Contract price

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month period ended 30 June				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with associated companies</u>					
Interest income	16	18	-	-	USD LIBOR and 0.92 to 2.05 percent per annum
<u>Transactions with related companies</u>					
Revenues from hotel operations	14	10	14	10	Normal business price
Management fees	40	36	40	36	Contract price
Marketing and promotion fees	13	11	13	11	Contract price
Advertising and reservation fees	6	8	6	8	Contract price

The balances of the accounts between the Company and these related companies as at 30 June 2018 and 31 December 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
	(Audited)		(Audited)	
<u>Trade receivables - related parties (Note 4)</u>				
Related companies				
Others	905	1,952	905	1,952
Total trade receivables - related parties	905	1,952	905	1,952
<u>Other receivables - related parties (Note 4)</u>				
Associated company				
Traders Yangon Company Limited	3,072	1,080	3,072	1,080
Related companies				
Others	1,597	1,477	1,597	1,477
Total other receivables - related parties	4,669	2,557	4,669	2,557
<u>Interest receivable from related party</u>				
Subsidiary				
TRR-Kerry Development Company Limited	-	-	19,504	27,702
Less: Allowance for doubtful interest receivable	-	-	(19,504)	(27,702)
Total interest receivable from related party - net	-	-	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Audited)		(Audited)
<u>Long-term loans to and interest receivables</u>				
<u>from related parties</u>				
Associated companies				
Non-interest bearing				
Traders Square Company Limited	44,392	43,915	-	-
	44,392	43,915	-	-
Interest bearing				
Shangri-La Yangon Company Limited	746,095	732,189	-	-
Traders Yangon Company Limited	516,031	505,586	-	-
Traders Square Company Limited	776,387	761,970	-	-
	2,038,513	1,999,745	-	-
Total long-term loans to and interest receivables from related parties	2,082,905	2,043,660	-	-

The above loans-interest bearing carry interests at the rates of USD LIBOR and 0.92 to 2.05 percent per annum.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Audited)		(Audited)
<u>Other payables - related parties (Note 10)</u>				
Related companies				
Shangri-La International Hotel Management Limited	17,133	13,656	17,133	13,656
Shangri-La International Hotel Management BV	10,956	14,762	10,956	14,762
Others	9	-	9	-
Total other payables - related parties	28,098	28,418	28,098	28,418
<u>Short-term loan from related party</u>				
Subsidiary				
Hasfield Holdings Pte., Ltd.	-	-	499,950	492,450
	-	-	499,950	492,450

The above loan is 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 party were as follows:

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 30 June 2018
	Balance	Increase	Decrease	Gain on	
	as at	during	during	exchange	
	1 January 2018	the period	the period		
<u>Interest receivable from related party</u>					
Subsidiary					
TRR-Kerry Development Company Limited	27,702	-	(8,198)	-	19,504
Total interest receivable from related party	27,702	-	(8,198)	-	19,504

(Unit: Thousand Baht)

	Consolidated financial statements				Balance as at 30 June 2018
	Balance	Increase	Decrease	Translation	
	as at	during	during	Adjustment	
	1 January 2018	the period	the period		
<u>Long-term loans to and interest</u>					
<u>receivables from related parties</u>					
Associated companies					
Non-interest bearing					
Traders Square Company Limited	43,915	-	-	477	44,392
Interest bearing					
Shangri-La Yangon Company Limited	732,189	5,704	-	8,202	746,095
Traders Yangon Company Limited	505,586	4,746	-	5,699	516,031
Traders Square Company Limited	761,970	5,883	-	8,534	776,387
Total long-term loans to and interest receivables from related parties	2,043,660	16,333	-	22,912	2,082,905

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				
	Balance	Increase	Decrease	Balance	
	as at	during	during	as at	
	1 January 2018	the period	the period	Loss on exchange	30 June 2018
<u>Short-term loan from related party</u>					
Subsidiary					
Hasfield Holdings Pte.,Ltd.	492,450	-	-	7,500	499,950
Total short-term loan from related party	492,450	-	-	7,500	499,950

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2018 and 2017, the Company and its subsidiaries had employee benefit expenses to their directors and management as detailed below.

	(Unit: Thousand Baht)	
	For the three-month period ended 30 June	
	Consolidated financial statements/ Separate financial statements	
	<u>2018</u>	<u>2017</u>
Short-term employee benefits	16,818	14,067
Post-employment benefits	1,027	913
Total	17,845	14,980

	(Unit: Thousand Baht)	
	For the six-month period ended 30 June	
	Consolidated financial statements/ Separate financial statements	
	<u>2018</u>	<u>2017</u>
Short-term employee benefits	30,163	28,305
Post-employment benefits	2,003	1,902
Total	32,166	30,207

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 18.3 to the interim consolidated financial statements.

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Trade receivables - related parties (Note 3)</u>				
Age on the basis of invoice date				
Less than 120 days	905	1,952	905	1,952
Total trade receivables – related parties	905	1,952	905	1,952
<u>Trade receivables - unrelated parties</u>				
Age on the basis of invoice date				
Less than 120 days	74,081	153,606	74,081	153,606
120 - 180 days	2,123	602	2,123	602
Over 180 days	1,351	211	1,351	211
Total	77,555	154,419	77,555	154,419
Less: Allowance for doubtful debts	(922)	(636)	(922)	(636)
Total trade receivables - unrelated parties, net	76,633	153,783	76,633	153,783
Total trade receivables, net	77,538	155,735	77,538	155,735
<u>Other receivables</u>				
Other receivables - related parties (Note 3)	4,669	2,557	4,669	2,557
Other receivables - unrelated parties	2,773	1,559	2,773	1,559
Interest receivables	8,989	15,489	8,436	12,421
Prepaid expenses	14,726	13,938	14,725	13,929
Total other receivables	31,157	33,543	30,603	30,466
Total trade and other receivables - net	108,695	189,278	108,141	186,201

5. 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 June	31 December	30 June	31 December	30 June	31 December
	2018	2017	2018	2017	2018	2017
			(Percent)	(Percent)		(Audited)
Town Development Company Limited	Baht 1,303 million	Baht 1,303 million	100	100	1,303,000	1,303,000
Total investment in subsidiary					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 June	31 December	30 June	31 December
			2018	2017	2018	2017
					(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	Hotel business	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 June	31 December	30 June	31 December	30 June	31 December		
			2018	2017	2018	2017	2018	2017		
			(Percent)	(Percent)		(Audited)		(Audited)		
<u>Associated companies (owned by Zukerman Limited)</u>										
Traders Yangon Company Limited	Hotel	Myanmar	23.53	23.53	29,249	28,935	-	-	-	-
Shangri-La Yangon Company Limited	Serviced apartments	Myanmar	22.22	22.22	17,289	17,103	-	-	-	-
Traders Square Company Limited	Commercial complex and office for rent	Myanmar	23.56	23.56	690	682	-	-	-	-
Total					47,228	46,720	-	-	-	-

During the current period, the Company has no share of profit/loss from investments in associates in the consolidated financial statements.

6.2 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 for six-month period ended		Loss for the six-month period ended	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June		30 June	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Traders Yangon Company Limited	USD 3.6 million	USD 3.6 million	2,023,724	2,187,621	3,792,477	3,851,898	269,254	356,524	(76,254)	(34,459)
Shangri-La Yangon Company Limited	USD 2.0 million	USD 2.0 million	3,666,884	3,766,050	4,199,359	4,213,981	251,300	308,876	(74,502)	(38,171)
Traders Square Company Limited	USD 0.1 million	USD 0.1 million	4,222,046	4,143,690	4,582,408	4,414,090	97,976	62,572	(82,212)	(125,943)

6.3 Investments 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 six-month period ended 30 June 2018	Cumulative unrecognised share of losses as at	
		30 June 2018	31 December 2017
			(Audited)
Traders Yangon Company Limited	(17,943)	(439,268)	(421,325)
Shangri-La Yangon Company Limited	(16,554)	(119,322)	(102,768)
Traders Square Company Limited	(19,370)	(87,870)	(68,500)
Total	(53,867)	(646,460)	(592,593)

The financial information of associated companies

The financial information of these associated companies for the three-month and six-month periods ended 30 June 2018 and 2017, which was included in the consolidated financial statements, was prepared by the associates' management. However, the Company's management believes that there would have been no significant difference to financial information if those financial information had been reviewed by auditors.

7. Investment in related party

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2018	31 December 2017
		(Audited)
Cost - Ordinary shares of Shangri-La Asia Limited	353,664	349,864
Add: Unrealised gain on changes in value of investments	301,301	426,245
Fair value	654,965	776,109

(Unaudited but reviewed)

Movements of the investment in related party account during the six-month period ended 30 June 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Fair value as at 1 January 2018	776,109
Unrealised loss on changes in value of investment for the period	(124,944)
Translation adjustment	3,800
Fair value as at 30 June 2018	<u>654,965</u>

8. Investment in other company

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	30 June 2018	31 December 2017
		(Audited)
Cost - Ordinary shares of Don Muang Tollway Public Company Limited	213,164	213,164
Less: Allowance for loss on diminution in value of investment	(82,013)	(82,013)
Investment 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 six-month period ended 30 June 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	1,917,863	1,916,009
Acquisitions during the period - at cost	42,382	42,382
Disposals during the period - net book value at disposal date	(56)	(56)
Depreciation for the period	(113,405)	(113,405)
Net book value as at 30 June 2018	<u>1,846,784</u>	<u>1,844,930</u>

(Unaudited but reviewed)

10. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	018	2017
		(Audited)		(Audited)
Trade payables - unrelated parties	65,918	103,829	65,918	103,829
Other payables - related parties (Note 3)	28,098	28,418	28,098	28,418
Other payables - unrelated parties	15,966	21,489	15,966	21,489
Interest payables to minority shareholders of subsidiary	14,984	21,086	-	-
Payables for purchases of assets	2,470	2,314	2,470	2,314
Retention payables	8,032	8,334	8,032	8,334
Accrued expenses	89,221	146,341	88,169	145,675
Total trade and other payables	<u>224,689</u>	<u>331,811</u>	<u>208,653</u>	<u>310,059</u>

11. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Advances from customers	103,282	117,893	103,282	117,893
Others	28,154	37,125	27,154	37,125
Total other current liabilities	<u>131,436</u>	<u>155,018</u>	<u>130,436</u>	<u>155,018</u>

(Unaudited but reviewed)

12. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits account during the six-month period ended 30 June 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements
Balance as at 1 January 2018	71,073
Current service cost	3,073
Interest cost	908
Benefits paid during the period	(3,462)
Balance as at 30 June 2018	71,592

13. Finance cost

Finance cost for the three-month and six-month periods ended 30 June 2018 and 2017 are summarised below:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Unrealised gain (loss) on exchange rate on short-term loan from related party	-	-	(29,250)	6,600
Total	-	-	(29,250)	6,600

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Unrealised gain (loss) on exchange rate on short-term loan from related party	-	-	(7,500)	27,450
Total	-	-	(7,500)	27,450

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 six-month periods ended 30 June 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	(23,621)	(21,360)	(20,614)	(19,359)
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,782)	(1,357)	(1,782)	(1,357)
Income tax expenses reported in the statements of comprehensive income	<u>(25,403)</u>	<u>(22,717)</u>	<u>(22,396)</u>	<u>(20,716)</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	(93,795)	(74,034)	(90,390)	(71,748)
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,428)	(998)	(1,428)	(998)
Income tax expenses reported in the statements of comprehensive income	<u>(95,223)</u>	<u>(75,032)</u>	<u>(91,818)</u>	<u>(72,746)</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 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit for the period (Thousand Baht)	165,237	71,733	89,937	83,160
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Earnings per share (Baht per share)	1.27	0.55	0.69	0.64

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit for the period (Thousand Baht)	423,032	234,868	367,827	291,584
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Earnings per share (Baht per share)	3.25	1.81	2.83	2.24

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 six-month periods ended 30 June 2018 and 2017.

(Unit: Million Baht)

	For the three-month period ended 30 June											
	Hotel business				Holding		Total segments		Adjustments and		Consolidated	
	Hotel in Bangkok		Hotel in Chiangmai		Investment				eliminations			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues												
External customers	424	352	90	101	-	-	514	453	-	-	514	453
Total revenues	424	352	90	101	-	-	514	453	-	-	514	453
Operating results												
Segment gross profit	280	225	57	69	-	-	337	294	-	-	337	294
Interest income	11	10	-	-	13	11	24	21	-	-	24	21
Other income	6	5	1	-	20	20	27	25	-	-	27	25
Depreciation and amortisation expenses	(37)	(37)	(19)	(28)	-	-	(56)	(65)	-	-	(56)	(65)
Gain (loss) on exchange	-	-	-	-	30	(19)	30	(19)	-	-	30	(19)
Profit before income tax expenses	136	90	(1)	(1)	62	12	196	101	-	-	197	101
Income tax expenses	(23)	(21)	-	-	(3)	(2)	(25)	(23)	-	-	(25)	(23)
Profit for the period	113	69	(1)	(1)	59	10	171	78	-	-	171	78

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month period ended 30 June

	Hotel business											
	Hotel in		Hotel in		Holding		Total segments		Adjustments and		Consolidated	
	Bangkok		Chiangmai		Investment				eliminations			
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenues												
External customers	1,006	871	260	241	-	-	1,266	1,112	-	-	1,266	1,112
Total revenues	1,006	871	260	241	-	-	1,266	1,112	-	-	1,266	1,112
Operating results												
Segment gross profit	698	587	186	174	-	-	884	761	-	-	884	761
Interest income	22	20	-	-	25	22	47	42	-	-	47	42
Other income	12	10	3	1	20	20	35	31	-	-	35	31
Depreciation and amortisation expenses	(74)	(74)	(40)	(56)	-	-	(114)	(130)	-	-	(114)	(130)
Gain (loss) on exchange	-	-	-	-	21	(54)	21	(54)	-	-	21	(54)
Profit before income tax expenses	396	296	63	33	65	(13)	524	316	-	-	524	316
Income tax expenses	(79)	(66)	(13)	(7)	(3)	(2)	(95)	(75)	-	-	(95)	(75)
Profit for the period	317	230	50	26	62	(15)	429	241	-	-	429	241

17. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Final dividends for 2016	Annual General Meeting of the shareholders on 27 April 2017	260.0	2.00
Total dividends for 2017		<u>260.0</u>	<u>2.00</u>
Final dividends for 2017	Annual General Meeting of the shareholders on 26 April 2018	292.5	2.25
Total dividends for 2018		<u>292.5</u>	<u>2.25</u>

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

As at 30 June 2018, the Company had capital commitments of approximately Baht 66 million (31 December 2017: Baht 50 million), relating to the construction and renovation of the Hotel building.

18.2 Operating lease and service commitments

The Company has entered into several lease agreements in respect of vehicles and other service agreements. The terms of the agreements are generally between 1 and 2 years.

As at 30 June 2018, the Company's future minimum payments required under these non-cancellable operating leases and service agreements amounted to Baht 7 million, which are payable within 1 year.

18.3 Guarantee

- (1) As at 30 June 2018, there were outstanding bank guarantees of approximately Baht 11 million (31 December 2017: Baht 11 million) issued by a bank on behalf of the Company in respect of electricity usage.
- (2) The Company entered into the Counter Indemnity Agreement with the parent company to indemnify the contingent liability relating to loan facilities 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 loan facilities according to the subsidiary's proportionate interest in these associates.

18.4 Litigation

In 2012 the Social Security Office ordered the Company to pay additional contributions of Baht 8 million for the year 2010. The Company appealed against the Social Security Office's order to the Board of Appeal, in accordance with the Social Security Act. Subsequently, on 30 June 2017, the Board of Appeal dismissed the Company's appeal and ordered the Company to pay the additional contributions. The Company disagreed with the judgement of the Board of Appeal, and therefore filed a lawsuit with the Labour Court requesting the revocation of the order of the Social Security Office and the decision of the Board of Appeal in accordance with the Social Security Act B.E. 2533. Subsequently, on 21 April 2018, the Central Labour Court ordered the revocation of the Social Security Office's order and the Board of Appeal's decision. To date, the Social Security Office and the Board of Appeal have not appealed the Court's ruling and the case is deemed final.

19. Foreign currency risk

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries as at 30 June 2018 and 31 December 2017 are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	As at 30 June 2018	As at 31 December 2017	As at 30 June 2018	As at 31 December 2017	As at 30 June 2018	As at 31 December 2017
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit)	
USD	68	67	-	-	33.1672	32.6809

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	As at 30 June 2018	As at 31 December 2017	As at 30 June 2018	As at 31 December 2017	As at 30 June 2018	As at 31 December 2017
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit)	
USD	-	-	15	15	33.1672	32.6809

20. Fair value of financial instruments

As at 30 June 2018 and 31 December 2017, the subsidiary had the following asset that was measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 30 June 2018			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investment in related party				
Equity instruments	654,965	-	-	654,965

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2017			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investment in related party				
Equity instruments	776,109	-	-	776,109

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

21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 6 August 2018.

To : Managing Director
The Stock Exchange of Thailand

Date : August 6, 2018

Re : Management Discussion and Analysis for the period ended June 30, 2018

The Board of Directors is pleased to announce the Company's results for the period ended June 30, 2018 as follows:-

Net profit after corporate income tax for the three-month period ended June 30, 2018 and 2017:

(Baht in million)	<u>2018</u>	<u>2017</u>	<u>Change (%)</u>
The Company	89.94	83.16	8.15%
Consolidated	165.24	71.73	130.36%

The Company:

The Company's profit before corporate income tax for the three-month period ended June 30, 2018 increased by Baht 8.46 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 9.25 million and increase in loss before corporate income tax of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 0.79 million.

Revenues from hotel operation of SLBK increased by Baht 72.37 million from Baht 351.88 million to Baht 424.25 million during the same period last year due to the increase in room, food & beverages revenues due to higher occupancy, MICE business and higher banqueting revenue. Gross profit increased by Baht 54.59 million. Selling expenses increased by Baht 4.94 million and administrative expenses increased by Baht 6.90 million. Depreciation expenses decreased by Baht 0.25 million against the same period last year. Finance cost increased by Baht 35.85 million due to weakening of the Thai Baht currency against US Dollar. As a result, the profit before corporate income tax increased by Baht 9.25 million from Baht 104.39 million to Baht 113.64 million.

Revenues from hotel operation of SLCM decreased by Baht 11.50 million from Baht 100.84 million to Baht 89.34 million during the same period last year. Gross profit decreased by Baht 10.88 million. Selling expenses increased by Baht 0.95 million and administrative expenses decreased by Baht 2.27 million. Depreciation expenses decreased by Baht 8.44 million against the same period last year. As a result, the loss before corporate income tax increased by Baht 0.79 million from Baht 0.51 million to Baht 1.30 million.

Consequently, the total profit before corporate income tax of SLBK and SLCM increased by Baht 8.46 million from Baht 103.87 million to Baht 112.33 million. The corporate income tax increased by Baht 1.68 million. As a result, the Company recorded a net profit after tax of Baht 89.94 million for the three-month period ended June 30, 2018 from a profit of Baht 83.16 million against the corresponding period last year (increased by 8.15%).

Consolidated:

The consolidated profit before corporate income tax for the three-month period ended June 30, 2018 increased by Baht 96.19 million against the corresponding period last year. The increase in consolidated profit before corporate income tax was due to the increase in the Company's profit before corporate income tax of Baht 8.46 million whereas profit of subsidiaries increased by Baht 87.73 million which was largely due to exchange gain from loan to a related company. The corporate income tax increased by Baht 2.69 million. Overall, the consolidated net profit after tax attributable to the equity holders of the Company for the three-month period ended June 30, 2018 increased by Baht 93.51 million against the corresponding period last year (increased by 130.36%).

.../2

Net profit after corporate income tax for the six-month period ended June 30, 2018 and 2017:

(Baht in million)	<u>2018</u>	<u>2017</u>	<u>Change (%)</u>
The Company	367.83	291.58	26.15%
Consolidated	423.03	234.87	80.11%

The Company:

The Company's profit before corporate income tax for the six-month period ended June 30, 2018 increased by Baht 95.32 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 SLBK by Baht 65.58 million and increase in profit of SLCM by Baht 29.74 million.

Revenues from hotel operation of SLBK increased by Baht 135.34 million from Baht 871.08 million to Baht 1,006.42 million during the same period last year due to the increase in room and food & beverages and other revenues which resulted from higher occupancy. Gross profit increased by Baht 111.64 million. Selling expenses increased by Baht 2.94 million whereas administrative expenses increased by Baht 11.88 million. Depreciation expenses increased by Baht 0.44 million against the same period last year. Finance cost increased by Baht 34.95 million mainly due to weakening of Thai Baht currency against US Dollar. As a result, the profit before corporate income tax increased by Baht 65.58 million from Baht 331.04 million to Baht 396.62 million.

Revenues from hotel operation of SLCM increased by Baht 18.38 million from Baht 241.29 million to Baht 259.67 million during the same period last year. Gross profit increased by Baht 12.83 million. Selling expenses increased by Baht 2.59 million whereas administrative expenses decreased by Baht 2.07 million. Depreciation expenses decreased by Baht 15.63 million against the same period last year. As a result, the profit before corporate income tax increased by Baht 29.74 million from Baht 33.29 million to Baht 63.03 million.

Consequently, the total profit before corporate income tax of SLBK and SLCM increased by Baht 95.32 million from Baht 364.33 million to Baht 459.65 million. The corporate income tax increased by Baht 19.07 million. As a result, the Company recorded a net profit after tax of Baht 367.83 million for the six-month period ended June 30, 2018 from a profit of Baht 291.58 million against the corresponding period last year (increased by 26.15%).

Consolidated:

The consolidated profit before corporate income tax for the six-month period ended June 30, 2018 increased by Baht 208.35 million against the corresponding period last year. The increase in consolidated profit before corporate income tax was due to the increase in the Company's profit before corporate income tax of Baht 95.32 million and increase in profit from subsidiaries by Baht 113.03 million. The increase in profit of subsidiaries was largely due to exchange gain from loan to a related company. As a result, the corporate income tax increased by Baht 20.19 million. Overall, the consolidated net profit after tax attributable to the equity holders of the Company for the six-month period ended June 30, 2018 increased by Baht 188.16 million against the corresponding period last year (increased by 80.11%).

Yours faithfully,

Mrs. Pavinee Meensuk
Director and Company Secretary

Headline: Reviewed Quarter 2 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 2			

(In thousands)

The Consolidated Financial Statement				
	Quarter 2		For 6 Months	
Status	Reviewed		Reviewed	
Ending	30 June		30 June	
Year	2018	2017	2018	2017
Net profit (loss)	165,237	71,733	423,032	234,868
EPS (baht)	1.27	0.55	3.25	1.81

The Company Financial Statement				
	Quarter 2		For 6 Months	
Status	Reviewed		Reviewed	
Ending	30 June		30 June	
Year	2018	2017	2018	2017
Net profit (loss)	89,937	83,160	367,827	291,584
EPS (baht)	0.69	0.64	2.83	2.24

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 Persons to Disclose Information

This announcement was prepared and disseminated by listed company or issuer through the electronic system which is provided for the purpose of dissemination of the information and related documents of listed company or issuer to the Stock Exchange of Thailand only. The Stock Exchange of Thailand has no responsibility for the correctness and

completeness of any statements, figures, reports or opinions contained in this announcement, and has no liability for any losses and damages in any cases. In case you have any inquiries or clarification regarding this announcement, please directly contact listed company or issuer who made this announcement.
