

SHANGRI-LA GROUP

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Shangri-La Asia Limited
(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.

Hong Kong, 11 May 2020

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 (Group CEO)

Non-executive director(s)

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

Independent non-executive director(s)

Professor LI Kwok Cheung Arthur

Mr YAP Chee Keong

Mr LI Xiaodong Forrest

Mr ZHUANG Chenchao

Shangri-La Hotel Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2020

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 31 March 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Shangri-La Hotel Public Company Limited for the same period (collectively "interim financial information"). 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*.

Emphasis of Matters

I draw attention to the following matters:

- a) I draw attention to Note 1.1 to the interim consolidated financial statements. The COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation significantly affects the Group's business activities in terms of the suspension of hotel services since 1 April 2020, and this is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage. The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

- b) I draw attention to Note 1.4 to the interim consolidated financial statements. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month period ended 31 March 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions.

My conclusion is not modified in respect of these matters.

Other Matter

Due to the impact of COVID-19 outbreak situation, the Company has postponed the annual general meeting of the Company's shareholders which results in no resolution for the appointment of the auditor of the Group for the accounting period of 2020 yet. However, the Board of Director of the Company has a resolution to propose to the annual general meeting of the Company's shareholders to appoint me as the auditor of the Group for the accounting period of 2020. I therefore have conducted my review on the interim financial information for first quarter of 2020 which is in compliance with the notification of the Capital Market Supervisory Board (CMSB) No. TorChor. 28/2563 dated 27 March 2020.

Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

EY Office Limited
Bangkok: 11 May 2020

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Assets					
Current assets					
Cash and cash equivalents		1,527,576	1,402,753	410,746	329,604
Fixed deposits with financial institutions	2	1,537,848	1,752,848	1,510,000	1,725,000
Trade and other receivables	4	56,401	147,764	55,801	147,074
Inventories		28,253	26,586	28,253	26,586
Other current assets	2	23,318	20,051	23,302	20,024
Total current assets		3,173,396	3,350,002	2,028,102	2,248,288
Non-current assets					
Other non-current financial assets	2, 7	363,604	-	-	-
Investments in subsidiaries	5	-	-	1,303,000	1,303,000
Investments in associates	6	-	-	-	-
Other long-term investments					
Investment in related party	2, 7	-	331,076	-	-
Investment in other company	2, 7	-	131,151	-	-
Long-term loans to and interest receivables					
from related parties	2, 3	1,964,062	1,795,264	-	-
Property, plant and equipment	2, 8	3,741,841	3,608,706	3,739,987	3,606,852
Intangible assets		5,902	6,865	5,902	6,865
Deferred tax assets		34,700	34,889	18,297	18,486
Other non-current assets		6,961	18,811	6,961	18,811
Total non-current assets		6,117,070	5,926,762	5,074,147	4,954,014
Total assets		9,290,466	9,276,764	7,102,249	7,202,302

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 31 March 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	9	124,518	268,510	122,207	266,585
Short-term loan from related party	3	-	-	492,417	454,970
Current portion of lease liability	2	10,134	-	10,134	-
Income tax payable		94,577	86,673	91,277	83,867
Other current liabilities	10	114,569	168,329	114,569	168,329
Total current liabilities		343,798	523,512	830,604	973,751
Non-current liabilities					
Provision for long-term employee benefits	11	91,845	89,613	91,845	89,613
Lease liability, net of current portion	2	8,680	-	8,680	-
Other non-current liabilities		20,249	22,244	20,249	22,244
Total non-current liabilities		120,774	111,857	120,774	111,857
Total liabilities		464,572	635,369	951,378	1,085,608
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		5,252,981	5,123,876	3,136,490	3,102,313
Other components of shareholders' equity		491,379	435,981	(6,019)	(6,019)
Equity attributable to owners of the Company		8,764,760	8,580,257	6,150,871	6,116,694
Non-controlling interests of the subsidiary		61,134	61,138	-	-
Total shareholders' equity		8,825,894	8,641,395	6,150,871	6,116,694
Total liabilities and shareholders' equity		9,290,466	9,276,764	7,102,249	7,202,302
		-	-	-	-

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 31 March 2020**

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit or loss:					
Revenues					
Revenues from hotel operations		425,009	734,122	425,009	734,122
Interest income		20,248	23,834	6,959	9,746
Exchange gains		44,893	-	-	-
Other income		3,345	5,189	3,345	5,189
Total revenues		493,495	763,145	435,313	749,057
Expenses					
Cost of hotel operations		142,797	209,134	142,797	209,134
Selling expenses		33,764	45,297	33,764	45,297
Administrative expenses		121,647	152,588	121,353	152,283
Depreciation and amortisation expenses		57,208	53,009	57,208	53,009
Exchange losses		-	6,555	-	-
Total expenses		355,416	466,583	355,122	459,723
Profit from operating activities		138,079	296,562	80,191	289,334
Finance income (Finance cost)	12	(100)	-	(37,547)	9,544
Profit before income tax expenses		137,979	296,562	42,644	298,878
Income tax expenses	13	(8,878)	(60,784)	(8,467)	(59,749)
Profit for the period		129,101	235,778	34,177	239,129
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		182,745	(54,707)	-	-
Loss on investments in equity designated at fair value through other comprehensive income		-	(22,077)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		182,745	(76,784)	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Loss on investments in equity designated at fair value through other comprehensive income		(127,347)	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		(127,347)	-	-	-
Total other comprehensive income for the period		55,398	(76,784)	-	-
Total comprehensive income for the period		184,499	158,994	34,177	239,129

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 31 March 2020

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit attributable to:				
Equity holders of the Company	129,105	235,784	<u>34,177</u>	<u>239,129</u>
Non-controlling interests of the subsidiary	<u>(4)</u>	<u>(6)</u>		
	<u>129,101</u>	<u>235,778</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	184,503	159,000	<u>34,177</u>	<u>239,129</u>
Non-controlling interests of the subsidiary	<u>(4)</u>	<u>(6)</u>		
	<u>184,499</u>	<u>158,994</u>		
Earnings per share				
Basic earnings per share	14			
Profit attributable to equity holders of the Company	<u>0.99</u>	<u>1.81</u>	<u>0.26</u>	<u>1.84</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 three-month period ended 31 March 2020

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Profit before tax	137,979	296,562	42,644	298,878
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	57,208	53,009	57,208	53,009
Allowance for doubtful accounts (reversal)	17	(62)	17	(62)
Reversal of reduction of inventory to net realisable value	-	(70)	-	(70)
Loss on disposals/write-off of equipment	78	261	78	261
Provision for long-term employee benefits	2,232	1,851	2,232	1,851
Unrealised (gain) loss on exchange	-	-	37,447	(9,544)
Interest income	(20,248)	(23,834)	(6,959)	(9,746)
Interest expenses	100	-	100	-
Profit from operating activities before changes in operating assets and liabilities	177,366	327,717	132,767	334,577
Operating assets (increase) decrease				
Trade and other receivables	91,139	12,606	94,906	12,623
Inventories	(1,667)	582	(1,667)	582
Other current assets	(3,254)	(226)	(7,045)	(225)
Other non-current assets	11,850	6,734	11,850	6,734
Operating liabilities increase (decrease)				
Trade and other payables	(143,992)	(92,819)	(144,378)	(93,028)
Other current liabilities	(53,760)	(5,171)	(53,760)	(3,064)
Provision for long-term employee benefits	-	(347)	-	(347)
Other non-current liabilities	(1,995)	374	(1,995)	374
Cash flows from operating activities	75,687	249,450	30,678	258,226
Cash paid for corporate income tax	(798)	(934)	(868)	(892)
Net cash flows from operating activities	74,889	248,516	29,810	257,334

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 three-month period ended 31 March 2020

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
Decrease in fixed deposits with financial institutions	215,000	330,001	215,000	330,000
Cash received from interest income	11,117	20,326	6,226	14,735
Acquisitions of property, plant and equipment	(168,118)	(1,914,902)	(168,118)	(1,914,902)
Acquisitions of intangible assets	(16)	(239)	(16)	(239)
Proceeds from disposals of equipment	-	105	-	105
Net cash flows from (used in) investing activities	<u>57,983</u>	<u>(1,564,709)</u>	<u>53,092</u>	<u>(1,570,301)</u>
Cash flows from financing activities				
Cash paid for lease liability	<u>(1,760)</u>	-	<u>(1,760)</u>	-
Net cash flows used in financing activities	<u>(1,760)</u>	-	<u>(1,760)</u>	-
Decrease in translation adjustments	<u>(6,289)</u>	<u>(4,723)</u>	-	-
Net increase (decrease) in cash and cash equivalents	124,823	(1,320,916)	81,142	(1,312,967)
Cash and cash equivalents at beginning of period	<u>1,402,753</u>	<u>2,782,274</u>	<u>329,604</u>	<u>1,675,701</u>
Cash and cash equivalents at end of period	<u>1,527,576</u>	<u>1,461,358</u>	<u>410,746</u>	<u>362,734</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 three-month period ended 31 March 2020

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
				Other components of shareholders' equity								
				Other comprehensive income								
				Exchange		Surplus (deficits)						
Issued and		Retained earnings		differences on	on changes	Actuarials loss	Total other	Total equity	Equity attributable			
fully paid-up				translation of	in value of	on defined	components of	attributable to	to non-controlling	Total		
share capital		Share premium		financial	investments	employee	shareholders'	owners of	interests of	shareholders'		
		Appropriated	Unappropriated	statements in	in equity instrument	benefit plans	equity	the Company	the subsidiary	equity		
Balance as at 1 January 2019		1,300,000	1,590,400	130,000	4,771,412	669,449	156,133	(6,019)	819,563	8,611,375	57,867	8,669,242
Profit for the period		-	-	-	235,784	-	-	-	-	235,784	(6)	235,778
Other comprehensive income for the period		-	-	-	-	(54,707)	(22,077)	-	(76,784)	(76,784)	-	(76,784)
Total comprehensive income for the period		-	-	-	235,784	(54,707)	(22,077)	-	(76,784)	159,000	(6)	158,994
Balance as at 31 March 2019		<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>5,007,196</u>	<u>614,742</u>	<u>134,056</u>	<u>(6,019)</u>	<u>742,779</u>	<u>8,770,375</u>	<u>57,861</u>	<u>8,828,236</u>
Balance as at 1 January 2020		1,300,000	1,590,400	130,000	5,123,876	435,086	6,914	(6,019)	435,981	8,580,257	61,138	8,641,395
Profit for the period		-	-	-	129,105	-	-	-	-	129,105	(4)	129,101
Other comprehensive income for the period		-	-	-	-	182,745	(127,347)	-	55,398	55,398	-	55,398
Total comprehensive income for the period		-	-	-	129,105	182,745	(127,347)	-	55,398	184,503	(4)	184,499
Balance as at 31 March 2020		<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>5,252,981</u>	<u>617,831</u>	<u>(120,433)</u>	<u>(6,019)</u>	<u>491,379</u>	<u>8,764,760</u>	<u>61,134</u>	<u>8,825,894</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 three-month period ended 31 March 2020

(Unit: Thousand Baht)

Separate financial statements							
Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity			
		Appropriated	Unappropriated	Other comprehensive income	Actuarials loss on defined employee benefit plans	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2019	1,300,000	1,590,400	130,000	2,712,908	(6,019)	(6,019)	5,727,289
Total comprehensive income for the period	-	-	-	239,129	-	-	239,129
Balance as at 31 March 2019	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>2,952,037</u>	<u>(6,019)</u>	<u>(6,019)</u>	<u>5,966,418</u>
Balance as at 1 January 2020	1,300,000	1,590,400	130,000	3,102,313	(6,019)	(6,019)	6,116,694
Total comprehensive income for the period	-	-	-	34,177	-	-	34,177
Balance as at 31 March 2020	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>3,136,490</u>	<u>(6,019)</u>	<u>(6,019)</u>	<u>6,150,871</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 period ended 31 March 2020

1. General information

1.1 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation significantly affects the Group's business activities in terms of the suspension of hotel services since 1 April 2020, and this is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. However, the impact cannot be reasonably estimated at this stage. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

1.2 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.

1.3 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 2019. There have been no changes in the composition of the Group during the current period.

1.4 New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value through other comprehensive income.

- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables and applies the general approach for loans to and interest receivables from related parties.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

However, these standards do not have any significant impact on the Group's financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.
- Not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, *Impairment of Assets*.

1.5 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

1.5.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss. In case, the Group makes an election to measure them at fair value through other comprehensive income, with no subsequent recycling to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

1.5.2 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.4 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			1 January 2020
	31 December 2019	The impacts of Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Other current assets	20,051	-	(850)	19,201
Non-current assets				
Other non-current financial assets	-	462,227	-	462,227
Other long-term investments				
- Investment in related party	331,076	(331,076)	-	-
- Investment in other company	131,151	(131,151)	-	-
Property, plant and equipment	3,608,706	-	21,324	3,630,030
Liabilities				
Current liabilities				
Current portion of lease liability	-	-	9,232	9,232
Non-current liabilities				
Lease liability, net of current portion	-	-	11,242	11,242

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2019	The impacts of Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Other current assets	20,024	-	(850)	19,174
Non-current assets				
Property, plant and equipment	3,606,852	-	21,324	3,628,176
Liabilities				
Current liabilities				
Current portion of lease liability	-	-	9,232	9,232
Non-current liabilities				
Lease liability, net of current portion	-	-	11,242	11,242

2.1 Financial instruments

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	1,402,753	-	1,402,753	1,402,753
Fixed deposits with financial institutions	1,752,848	-	1,752,848	1,752,848
Trade and other receivables	147,764	-	147,764	147,764

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements				
Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
	Fair value through other comprehensive income	Amortised cost	Total	
Other non-current financial assets				
- Investment in related party	331,076	331,076	-	331,076
- Investment in other company	131,151	131,151	-	131,151
Long-term loans to and interest receivables from related parties	1,795,264	-	1,795,264	1,795,264
Total financial assets	5,560,856	462,227	5,098,629	5,560,856

(Unit: Thousand Baht)

	Separate financial statements	
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9 Amortised cost
Financial assets as at 1 January 2020		
Cash and cash equivalents	329,604	329,604
Fixed deposits with financial institutions	1,725,000	1,725,000
Trade and other receivables	147,074	147,074
Total financial assets	2,201,678	2,201,678

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

2.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht) Consolidated/Separate financial statements
Operating lease commitments as at 31 December 2019	21,120
Less: Deferred interest expenses	(646)
Increase in lease liability due to TFRS 16 adoption as at 1 January 2020	<u>20,474</u>
Comprise of:	
Current lease liability	9,232
Non-current lease liability	11,242
	<u>20,474</u>

The adjustment of right-of-use asset due to TFRS 16 adoption as at 1 January 2020 is summarised below:

	(Unit: Thousand Baht) Consolidated/Separate financial statements
Right-of-use asset - Motor vehicle	<u>21,324</u>

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 31 March				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with associated companies</u>					
Interest income	8	8	-	-	USD LIBOR and 0.92 to 2.05 percent per annum
<u>Transactions with related companies</u>					
Revenue from hotel operations	11	12	11	12	Normal business price
Management fees	14	23	14	23	Contract price
Marketing and promotion fees	4	7	4	7	Contract price
Advertising and reservation fees	4	4	4	4	Contract price

The balances of the accounts between the Company and these related companies as at 31 March 2020 and 31 December 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Audited)		(Audited)	
<u>Trade receivables - related parties (Note 4)</u>				
Related companies				
Others	892	242	892	242
Total trade receivables - related parties	<u>892</u>	<u>242</u>	<u>892</u>	<u>242</u>
<u>Other receivables - related parties (Note 4)</u>				
Associated company				
Traders Yangon Company Limited	53	42	53	42
Related companies				
Others	4,121	5,282	4,121	5,282
Total other receivables - related parties	<u>4,174</u>	<u>5,324</u>	<u>4,174</u>	<u>5,324</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(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	44,294	40,689	-	-
	<u>44,294</u>	<u>40,689</u>	<u>-</u>	<u>-</u>
Interest bearing				
Shangri-La Yangon Company Limited	765,460	700,410	-	-
Traders Yangon Company Limited	534,608	488,505	-	-
Traders Square Company Limited	796,344	728,695	-	-
	<u>2,096,412</u>	<u>1,917,610</u>	<u>-</u>	<u>-</u>
Total	2,140,706	1,958,299	-	-
Less: Allowance for losses on loans	(176,644)	(163,035)	-	-
Total long-term loans to and interest receivables				
from related parties - net	<u>1,964,062</u>	<u>1,795,264</u>	<u>-</u>	<u>-</u>

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<u>Other payables - related parties (Note 9)</u>				
Related companies				
Shangri-La International Hotel Management Pte., Ltd.	38,943	-	38,943	-
Shangri-La International Hotel Management Limited	2,689	20,146	2,689	20,146
Shangri-La International Hotel Management BV	-	14,648	-	14,648
Others	626	682	33	241
	<u>42,258</u>	<u>35,476</u>	<u>41,665</u>	<u>35,035</u>
Total other payables - related parties				
<u>Short-term loans from related party</u>				
Subsidiary				
Hasfield Holdings Pte., Ltd.	-	-	492,417	454,970
Total short-term loans from related party	<u>-</u>	<u>-</u>	<u>492,417</u>	<u>454,970</u>

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

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated financial statements				
	Balance	Increase	Decrease	Gain	Balance
	as at 1 January 2020	during the period	during the period	(loss) on exchange	as at 31 March 2020
<u>Long-term loans to and interest receivables from related parties</u>					
Associated companies					
Non-interest bearing					
Traders Square Company Limited	40,689	-	-	3,605	44,294
Interest bearing					
Shangri-La Yangon Company Limited	700,410	2,854	-	62,196	765,460
Traders Yangon Company Limited	488,505	2,691	-	43,412	534,608
Traders Square Company Limited	728,695	2,943	-	64,706	796,344
Total	1,958,299	8,488	-	173,919	2,140,706
Less: Allowance for losses on loans	(163,035)	-	-	(13,609)	(176,644)
Total long-term loans to and interest receivables from related parties - net	1,795,264	8,488	-	160,310	1,964,062

(Unit: Thousand Baht)

	Separate financial statements				
	Balance	Increase	Decrease	Loss on	Balance
	as at 1 January 2020	during the period	during the period	exchange	as at 31 March 2020
<u>Short-term loan from related party</u>					
Subsidiary					
Hasfield Holdings Pte., Ltd.	454,970	-	-	37,447	492,417
Total short-term loan from related party	454,970	-	-	37,447	492,417

Directors and management's benefits

During the three-month periods ended 31 March 2020 and 2019, 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 31 March	
	Consolidated / Separate financial statements	
	2020	2019
Short-term employee benefits	13,173	16,241
Post-employment benefits	850	954
Total	14,023	17,195

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 16.3 to the financial statements.

4. Trade and other receivables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<u>Trade receivables - related parties</u> (Note 3)				
Age on the basis of invoice date				
Less than 120 days	892	242	892	242
Total trade receivables - related parties	892	242	892	242
<u>Trade receivables - unrelated parties</u>				
Age on the basis of invoice date				
Less than 120 days	40,348	131,433	40,348	131,433
120 - 180 days	3	216	3	216
Total	40,351	131,649	40,351	131,649
Less: Allowance for doubtful debts	(28)	(11)	(28)	(11)
Total trade receivables - unrelated parties, net	40,323	131,638	40,323	131,638
Total trade receivables, net	41,215	131,880	41,215	131,880
<u>Other receivables</u>				
Other receivables - related parties (Note 3)	4,174	5,324	4,174	5,324
Other receivables - unrelated parties	1,998	2,189	1,998	2,189
Interest receivables	9,014	8,371	8,414	7,681
Total other receivables	15,186	15,884	14,586	15,194
Total trade and other receivables - net	56,401	147,764	55,801	147,074

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		(Unit: Thousand Baht) Cost	
	31 March	31 December	31 March	31 December	31 March	31 December
	2020	2019	2020	2019	2020	2019
			(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					<u>1,303,000</u>	<u>1,303,000</u>

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	
			31 March	31 December	31 March	31 December
			2020	2019	2020	2019
					(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	
			31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019
			(Percent)	(Percent)		(Audited)		(Audited)
Associated companies (owned by Zukerman Limited)								
Traders Yangon Company Limited	Hotel	Myanmar	23.53	23.53	29,185	26,809	-	-
Shangri-La Yangon Company Limited	Serviced apartments	Myanmar	22.22	22.22	17,251	15,847	-	-
Traders Square Company Limited	Commercial complex and office for rent	Myanmar	23.56	23.56	688	632	-	-
Total					47,124	43,288	-	-

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.

(Unit: Thousand Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues for the three-month periods ended		Profit (loss) for the three-month periods ended	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March 2020	31 December 2019	31 March		31 March	
							2020	2019	2020	2019
Traders Yangon Company Limited	USD 3.6 million	USD 3.6 million	1,443,357	1,413,449	3,440,776	3,225,276	95,382	126,005	(32,888)	(18,830)
Shangri-La Yangon Company Limited	USD 2.0 million	USD 2.0 million	3,350,449	3,151,397	3,910,897	3,682,927	101,286	116,870	14,798	(9,762)
Traders Square Company Limited	USD 0.1 million	USD 0.1 million	3,835,899	3,556,250	4,334,997	3,979,565	89,210	82,455	(38,730)	(14,477)

6.3 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			
	Share of profit (losses) for the three-month period ended	Cumulative unrecognised share of losses as at		
		31 March 2020	31 March 2020	31 December 2019
				(Audited)
Traders Yangon Company Limited	(7,739)	(497,499)	(489,760)	
Shangri-La Yangon Company Limited	3,288	(127,883)	(131,171)	
Traders Square Company Limited	(9,125)	(121,175)	(112,050)	
Total	(13,576)	(746,557)	(732,981)	

The financial information of associated companies

The financial information of these associated companies for the three-month periods ended 31 March 2020 and 2019, 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. Other non-current financial assets

As at 31 March 2020, details of other non-current financial assets are as below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
Financial assets at fair value through other comprehensive income	
Investment in related party - Shangri-La Asia Limited	232,453
Investment in other company - Don Muang Tollway Public Company Limited (Note 18)	131,151
Total financial assets at fair value through other comprehensive income	363,604

Movements of the investment in related party during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
Fair value as at 1 January 2020	331,076
Unrealised loss on change in value of investment for the period	(127,347)
Translation adjustment	28,724
Fair value as at 31 March 2020	232,453

8. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	3,608,706	3,606,852
Adjustment of right-of-use asset due to TFRS 16 adoption	21,324	21,324
Acquisitions during the period - at cost	168,118	168,118
Write-off during the period - net book value at write-off date	(54)	(54)
Depreciation for the period	(56,253)	(56,253)
Net book value as at 31 March 2020	3,741,841	3,739,987

(Unaudited but reviewed)

During the current period, the Company additionally purchased land with structure thereon with an unrelated parties, a total value of Baht 150 million. The Company has an objective to use the land for developing its new hotel.

9. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Trade payables - unrelated parties	24,126	61,545	24,126	61,545
Other payables - related parties (Note 3)	42,258	35,476	41,665	35,035
Other payables - unrelated parties	4,344	21,198	4,338	21,193
Payables for purchase of assets	9,287	20,046	9,287	20,046
Retention payables	5,926	7,691	5,926	7,691
Accrued expenses	38,577	122,554	36,865	121,075
Total trade and other payables	<u>124,518</u>	<u>268,510</u>	<u>122,207</u>	<u>266,585</u>

10. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Advance received from customers	95,872	138,359	95,872	138,359
Others	18,697	29,970	18,697	29,970
Total other current liabilities	<u>114,569</u>	<u>168,329</u>	<u>114,569</u>	<u>168,329</u>

11. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits account during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht) Consolidated / Separate financial statements
Balance as at 1 January 2020	89,613
Current service cost	1,672
Interest cost	560
Balance as at 31 March 2020	<u>91,845</u>

12. Finance cost

Finance cost for the three-month periods ended 31 March 2020 and 2019 are summarised below:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Unrealised gain (loss) on exchange rate of short-term loan from related party	-	-	(37,447)	9,544
Interest expenses - lease liability	(100)	-	(100)	-
Total finance income (finance cost)	<u>(100)</u>	<u>-</u>	<u>(37,547)</u>	<u>9,544</u>

13. 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 periods ended 31 March 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Interim corporate income tax charge	(8,689)	(61,128)	(8,278)	(60,093)
Deferred tax:				
Relating to origination and reversal of temporary differences	(189)	344	(189)	344
Income tax expenses reported in the statements of comprehensive income	<u>(8,878)</u>	<u>(60,784)</u>	<u>(8,467)</u>	<u>(59,749)</u>

14. 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 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the period (Thousand Baht)	129,105	235,784	34,177	239,129
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Earnings per share (Baht per share)	0.99	1.81	0.26	1.84

15. 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 periods ended 31 March 2020 and 2019.

(Unit: Million Baht)

	For the three-month periods ended 31 March											
	Hotel business								Adjustments and			
	Hotel in		Hotel in		Holding Investment		Total segments		eliminations		Consolidated	
	Bangkok		Chiangmai									
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues												
External customers	338	576	87	158	-	-	425	734	-	-	425	734
Total revenues	338	576	87	158	-	-	425	734	-	-	425	734
Operating results												
Segment gross profit	224	409	58	116	-	-	282	525	-	-	282	525
Interest income	7	10	-	-	13	14	20	24	-	-	20	24
Other income	2	4	1	1	-	-	3	5	-	-	3	5
Depreciation and amortisation expenses	(36)	(33)	(21)	(20)	-	-	(57)	(53)	-	-	(57)	(53)
Exchange gains (losses)	-	-	-	-	45	(7)	45	(7)	-	-	45	(7)
Profit (loss) before income tax expenses	81	241	(1)	49	58	7	138	297	-	-	138	297
Income tax expenses	(8)	(50)	-	(10)	(1)	(1)	(9)	(61)	-	-	(9)	(61)
Profit (loss) for the period	73	191	(1)	39	57	6	129	236	-	-	129	236

16. Commitments and contingent liabilities

16.1 Capital commitments

As at 31 March 2020, the Company had capital commitments of approximately Baht 80 million (31 December 2019: Baht 211 million), relating to the construction, renovation of the hotel building and acquisition of equipment.

16.2 Service commitments

As at 31 March 2020, future minimum payments required under non-cancellable service contracts of approximately Baht 1 million (31 December 2019: Baht 1 million) which are payable up to 1 year.

16.3 Guarantees

- (1) As at 31 March 2020, there were outstanding bank guarantees of approximately Baht 12 million (31 December 2019: Baht 12 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.

17. Foreign currency risk

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries as at 31 March 2020 and 31 December 2019 are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	As at 31 March 2020 (Million)	As at 31 December 2019 (Million) (Audited)	As at 31 March 2020 (Million)	As at 31 December 2019 (Million) (Audited)	As at 31 March 2020 (Baht per 1 foreign currency unit)	As at 31 December 2019
USD	70	70	-	-	32.6712	30.1540
Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	As at 31 March 2020 (Million)	As at 31 December 2019 (Million) (Audited)	As at 31 March 2020 (Million)	As at 31 December 2019 (Million) (Audited)	As at 31 March 2020 (Baht per 1 foreign currency unit)	As at 31 December 2019
USD	-	-	15	15	32.6712	30.1540

18. Fair value of financial instruments

As at 31 March 2020 and 31 December 2019, 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			
	As at 31 March 2020			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income				
Investment in related party	232,453	-	-	232,453
Investment in other company	-	-	131,151	131,151

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income				
Investment in related party	331,076	-	-	331,076

Valuation techniques and inputs to Level 3 valuation

- The fair value of investment in related party has been determined by use of quoted market prices in an observable active market for such assets or liabilities.
- The fair value of investment in other company has been determined by analysis and considering change in the invested company's financial position and operating performance, including other several factors and elected to apply temporary relief measures as discussed in Note 1.4 to the interim financial statements.

During the current period, there was no transfer within the fair value hierarchy.

19. Events after the reporting period

On 1 April 2020, the Board of Directors' Meeting of the Company passed a resolution to approve an interim dividend payment for 2019 of Baht 2.25 per share, or a total of Baht 292.5 million. The Company paid such interim dividend to the shareholders on 29 April 2020.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2020.

To : Managing Director
The Stock Exchange of Thailand

Date : May 11, 2020

Re : Management Discussion and Analysis for the period ended March 31, 2020

The Board of Directors is pleased to announce the Company's results of operation for the period ended March 31, 2020 comparing with the corresponding period of 2019 as follows: -

Net profit after corporate income tax for the period ended March 31, 2020 and 2019:

(Baht in million)	<u>2020</u>	<u>2019</u>	<u>Change</u>
The Company's Financial Statement	34.18	239.13	(85.71%)
Consolidated's Financial Statement	129.11	235.78	(45.24%)

Rationale for the change:

The Company's Financial Statement:

The Company's profit before corporate income tax for the period ended March 31, 2020 decreased by Baht 256.24 million against the corresponding period last year. The decrease in the Company's profit was mainly attributed to the decrease in profit before income tax of Shangri-La Hotel, Bangkok ("SLBK") by Baht 206.40 million and decrease in profit of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 49.84 million.

Revenues from hotel operations of SLBK decreased by Baht 309.11 million from Baht 734.12 million to Baht 425.01 million mainly due to the decrease in all type of revenues including room, food & beverages and other revenue resulting from lower occupancy (decreased by 34.84%) due to COVID-19 pandemic situation. Gross Profit before expenses decreased by Baht 185.23 million. Selling and administrative expenses decreased by Baht 9.46 million and Baht 19.86 million, respectively. Depreciation expense increased by Baht 2.96 million against last year. Finance income decreased by Baht 47.09 million mainly due to reduce of unrealized exchange gain from US Dollar loan compared to 2019 as a result from weakening of Thai Baht currency against US Dollar. As a result, the profit before corporate income tax decreased by Baht 206.40 million from Baht 250.42 million to Baht 44.02 million.

Profit before corporate income tax of SLCM decreased by Baht 49.84 million as compared to 2019, mainly attributed to lower revenues from hotel operations by Baht 70.36 million from Baht 157.62 million to Baht 87.26 million as a result of lower room occupancy (decreased by 29.50%) and average room rates in 2020 due to COVID-19 pandemic situation. Gross Profit before expenses decreased by Baht 57.54 million, from Baht 115.51 million to Baht 57.97 million during the same period last year. Selling and administrative expenses decreased by Baht 2.08 million and Baht 6.23 million, respectively. Depreciation Expenses increased by Baht 1.24 million against last year. As a result, the profit before corporate income tax decreased by Baht 49.84 million from profit of Baht 48.46 million to loss of Baht 1.38 million.

Consequently, the total profit of SLBK and SLCM before corporate income tax decreased by Baht 256.24 million from Baht 298.88 million to Baht 42.64 million. The corporate income tax decreased by Baht 51.28 million as compared to 2019 due to lower profit before income tax in 2020. The Company recorded a net profit after tax of Baht 34.18 million for the period ended March 31, 2020 compared to profit of Baht 239.13 million last year (decreased by 85.71%).

Consolidated's Financial Statement:

The consolidated profit before corporate income tax for the period ended March 31, 2020 decreased by Baht 158.58 million against last year. The decrease in consolidated profit before corporate income tax was due to decrease in the Company's profit before corporate income tax of Baht 256.24 million and increase in profit from subsidiaries by Baht 97.66 million. The increase in profit of subsidiaries was largely due to the increase in exchange gain from loan to a related company. As a result, the corporate income tax decreased by Baht 51.91 million mainly as a result of lower profit from the Company. Overall, the consolidated net profit after tax attributable to the equity holders of the Company for the period ended March 31, 2020 decreased by Baht 106.67 million against last year (decreased by 45.24%).

Yours faithfully,

(Mrs. Pavinee Meensuk)
Director and Company Secretary

Headline: Reviewed financial performance Quarter 1 (F45) (revised)
Security Symbol: SHANG

Announcement Details

Financial Statement (F45)

Company name	SHANGRI-LA HOTEL PUBLIC COMPANY LIMITED
Quarter	Quarter 1

(In thousands)

Financial Statement	Quarter 1	
Status	Reviewed	
Ending	31 March	
Year	2020	2019
Profit (loss) attributable to equity holders of the Company *	129,105	235,784
EPS (baht)	0.99	1.81

Type of report (Update)	Unqualified opinion with an emphasis of matters
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*For consolidated financial statements

Please review financial statement (Full Version) before making investment decision

"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)."

Signature _____
(Mrs. Pavinee Meensuk)
Director and Company Secretary
Authorized Persons to Disclose Information

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