

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 directors

Ms KUOK Hui Kwong (Chairman)

Mr LIM Beng Chee (CEO)

Mr LUI Man Shing

Mr Madhu Rama Chandra RAO

Independent non-executive directors

Mr Alexander Reid HAMILTON

Mr Timothy David DATTELS

Professor LI Kwok Cheung Arthur

Dr LEE Kai-Fu

Non-executive directors

Mr KUOK Khoon Chen

Mr HO Kian Guan

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

Hong Kong, 15 May 2017

Shangri-La Hotel Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month period ended
31 March 2017

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 2017, 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 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: 15 May 2017

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>31 March 2017</u>	<u>31 December 2016</u>	<u>31 March 2017</u>	<u>31 December 2016</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,234,889	1,211,754	212,708	170,724
Current investments - fixed deposits					
with financial institutions		2,482,400	2,258,900	2,460,000	2,250,000
Trade and other receivables	4	169,398	169,698	167,923	168,107
Inventories		26,252	32,199	26,252	32,199
Other current assets		5,348	3,210	5,337	3,192
Total current assets		<u>3,918,287</u>	<u>3,675,761</u>	<u>2,872,220</u>	<u>2,624,222</u>
Non-current assets					
Investments in subsidiaries	5	-	-	1,303,000	1,303,000
Investments in associates	6	-	-	-	-
Other long-term investments					
Investments in related party	7	524,249	395,542	-	-
Investment in other company	8	131,151	131,151	-	-
Long-term loans to and interest receivables					
from related parties	3	2,237,780	2,323,739	-	-
Property, plant and equipment	9	2,022,501	2,074,428	2,020,647	2,072,574
Intangible assets		2,999	3,556	2,999	3,556
Deferred tax assets		38,390	38,031	21,988	21,628
Other non-current assets		8,485	7,534	8,485	7,534
Total non-current assets		<u>4,965,555</u>	<u>4,973,981</u>	<u>3,357,119</u>	<u>3,408,292</u>
Total assets		<u><u>8,883,842</u></u>	<u><u>8,649,742</u></u>	<u><u>6,229,339</u></u>	<u><u>6,032,514</u></u>

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

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	10	274,723	317,083	244,170	286,860
Short-term loans from related party	3	-	-	518,700	539,550
Income tax payable		104,523	51,864	101,866	49,476
Other current liabilities	11	115,685	119,651	115,685	119,651
Total current liabilities		494,931	488,598	980,421	995,537
Non-current liabilities					
Provision for long-term employee benefits	12	67,268	65,612	67,268	65,612
Rental deposits		18,115	16,254	18,115	16,254
Total non-current liabilities		85,383	81,866	85,383	81,866
Total liabilities		580,314	570,464	1,065,804	1,077,403
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		4,235,998	4,072,863	2,151,080	1,942,656
Other components of shareholders' equity		1,019,924	958,803	(7,945)	(7,945)
Equity attributable to owners of the Company		8,276,322	8,052,066	5,163,535	4,955,111
Non-controlling interests of the subsidiary		27,206	27,212	-	-
Total shareholders' equity		8,303,528	8,079,278	5,163,535	4,955,111
Total liabilities and shareholders' equity		8,883,842	8,649,742	6,229,339	6,032,514
		-	-	-	-

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 2017**

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

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit or loss:					
Revenues					
Revenues from hotel operations		659,659	695,204	659,659	695,204
Other income		27,196	30,272	15,624	15,369
Total revenues		686,855	725,476	675,283	710,573
Expenses					
Cost of hotel operations		193,486	197,781	193,486	197,781
Selling expenses		41,675	46,631	41,675	46,631
Administrative expenses		136,218	142,499	135,770	142,152
Depreciation and amortisation expenses		64,748	64,840	64,748	64,840
Exchange losses		35,284	59,358	-	-
Total expenses		471,411	511,109	435,679	451,404
Profit before finance cost and income tax expenses		215,444	214,367	239,604	259,169
Finance income (cost)	13	-	-	20,850	9,300
Profit before income tax expenses		215,444	214,367	260,454	268,469
Income tax expenses	14	(52,315)	(53,985)	(52,030)	(53,662)
Profit for the period		163,129	160,382	208,424	214,807
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		(83,321)	15,865	-	-
Gain on changes in value of					
available-for-sale investments		144,442	62,535	-	-
Other comprehensive income for the period		61,121	78,400	-	-
Total comprehensive income for the period		224,250	238,782	208,424	214,807

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 2017

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit attributable to:				
Equity holders of the Company	163,135	158,568	<u>208,424</u>	<u>214,807</u>
Non-controlling interests of the subsidiary	<u>(6)</u>	<u>1,814</u>		
	<u>163,129</u>	<u>160,382</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	224,256	236,968	<u>208,424</u>	<u>214,807</u>
Non-controlling interests of the subsidiary	<u>(6)</u>	<u>1,814</u>		
	<u>224,250</u>	<u>238,782</u>		
Earnings per share				
Basic earnings per share	15			
Profit attributable to equity holders of the Company	<u>1.25</u>	<u>1.22</u>	<u>1.60</u>	<u>1.65</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 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Profit before tax	215,444	214,367	260,454	268,469
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	64,748	64,840	64,748	64,840
Allowance for doubtful accounts	93	57	93	57
Reduction of inventory to net realisable value	-	(91)	-	(91)
Gain on sales of equipment	(31)	(134)	(31)	(134)
Provision for long-term employee benefits	1,938	1,855	1,938	1,855
Unrealised (gain) loss on exchange	110,421	60,791	(20,850)	(9,300)
Dividend income	-	(4,263)	-	-
Interest income	(20,921)	(22,595)	(9,675)	(10,477)
Profit from operating activities before changes in operating assets and liabilities	371,692	314,827	296,677	315,219
Operating assets (increase) decrease				
Trade and other receivables	3,973	(21,635)	3,973	(21,635)
Inventories	5,947	1,918	5,947	1,918
Other current assets	(1,438)	(215)	(1,438)	(215)
Other non-current assets	(951)	(1,268)	(951)	(1,268)
Operating liabilities increase (decrease)				
Trade and other payables	(40,656)	(38,619)	(40,988)	(38,850)
Other current liabilities	(3,966)	(30,264)	(3,966)	(30,264)
Provision for long-term employee benefits	(282)	-	(282)	-
Other non-current liabilities	1,860	328	1,860	328
Cash flows from operating activities	336,179	225,072	260,832	225,233
Cash paid for corporate income tax	(699)	(992)	(707)	(565)
Net cash flows from operating activities	335,480	224,080	260,125	224,668

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 2017

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities				
Cash paid for investment in current investments - net	(223,500)	(20,000)	(210,000)	(20,000)
Increase in loans to related parties	-	(207,427)	-	-
Cash received from interest income	8,411	13,116	5,794	9,992
Dividend income	-	4,263	-	-
Acquisitions of plant and equipment	(14,036)	(25,816)	(14,036)	(25,816)
Proceeds from sales of equipment	101	134	101	134
Net cash flows used in investing activities	<u>(229,024)</u>	<u>(235,730)</u>	<u>(218,141)</u>	<u>(35,690)</u>
Increase (decrease) in translation adjustments	<u>(83,321)</u>	<u>15,865</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	23,135	4,215	41,984	188,978
Cash and cash equivalents at beginning of period	<u>1,211,754</u>	<u>1,837,829</u>	<u>170,724</u>	<u>567,443</u>
Cash and cash equivalents at end of period	<u><u>1,234,889</u></u>	<u><u>1,842,044</u></u>	<u><u>212,708</u></u>	<u><u>756,421</u></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 2017

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
				Other components of shareholders' equity							
				Exchange			Other comprehensive income				
				differences on	Surplus on changes				Total equity	Equity attributable	
				translation of	in value of	Actuarials loss	Total other		attributable to	to non-controlling	Total
				financial	available-for-sale	on defined	components of		owners of	interests of	shareholders'
				statements in	investments -	employee	shareholders'		the Company	the subsidiary	equity
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 2016	1,300,000	1,590,400	130,000	3,755,887	1,045,789	(20,543)	(7,945)	1,017,301	7,793,588	18,222	7,811,810
Profit for the period	-	-	-	158,568	-	-	-	-	158,568	1,814	160,382
Other comprehensive income for the period	-	-	-	-	15,865	62,535	-	78,400	78,400	-	78,400
Total comprehensive income for the period	-	-	-	158,568	15,865	62,535	-	78,400	236,968	1,814	238,782
Balance as at 31 March 2016	1,300,000	1,590,400	130,000	3,914,455	1,061,654	41,992	(7,945)	1,095,701	8,030,556	20,036	8,050,592
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	-	-	-	163,135	-	-	-	-	163,135	(6)	163,129
Other comprehensive income for the period	-	-	-	-	(83,321)	144,442	-	61,121	61,121	-	61,121
Total comprehensive income for the period	-	-	-	163,135	(83,321)	144,442	-	61,121	224,256	(6)	224,250
Balance as at 31 March 2017	1,300,000	1,590,400	130,000	4,235,998	874,691	153,178	(7,945)	1,019,924	8,276,322	27,206	8,303,528

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 2017

(Unit: Thousand Baht)

Separate financial statements							
				<u>Other components of shareholders' equity</u>			
				<u>Other comprehensive</u>			
				<u>income</u>			
Issued and		<u>Retained earnings</u>		Actuarials loss	Total other	Total	
fully paid-up		Appropriated	Unappropriated	on defined	components of	shareholders'	shareholders'
share capital	Share premium			employee	shareholders'	equity	equity
				benefit plans	equity		
Balance as at 1 January 2016	1,300,000	1,590,400	130,000	1,712,117	(7,945)	(7,945)	4,724,572
Total comprehensive income for the period	-	-	-	214,807	-	-	214,807
Balance as at 31 March 2016	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>1,926,924</u>	<u>(7,945)</u>	<u>(7,945)</u>	<u>4,939,379</u>
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	-	-	-	208,424	-	-	208,424
Balance as at 31 March 2017	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>2,151,080</u>	<u>(7,945)</u>	<u>(7,945)</u>	<u>5,163,535</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 2017

1. General information

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) 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 2016. There have been no changes in the composition of the Group during the current period.

1.3 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2016.

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>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with associated companies</u>					
Interest income	9	8	-	-	USD LIBOR and USD LIBOR plus 1 percent per annum
<u>Transactions with related companies</u>					
Revenue from hotel operations	4	6	4	6	Normal business price
Management fees	21	22	21	22	Contract price
Marketing and promotion fees	7	7	7	7	Contract price
Advertising and reservation fees	4	5	4	5	Contract price

The balances of the accounts between the Company and these related companies as at 31 March 2017 and 31 December 2016 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	31 March	31 December	31 March	31 December
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(Audited)		(Audited)	
<u>Other receivables - related parties (Note 4)</u>				
Associated company				
Traders Yangon Company Limited	1,009	2,501	1,009	2,501
Related companies				
Others	5,657	1,837	5,657	1,837
Total other receivables - related parties	<u>6,666</u>	<u>4,338</u>	<u>6,666</u>	<u>4,338</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Audited)		(Audited)
<u>Interest receivables from related party</u>				
Subsidiary				
TRR-Kerry Development Company Limited	-	-	39,111	39,111
Less: Allowance for doubtful interest receivables	-	-	(39,111)	(39,111)
Total interest receivables from related party - net	-	-	-	-

**Long-term loans to and interest receivables
from related parties**

Associated companies

Non-interest bearing

Traders Square Company Limited	46,577	48,552	-	-
	46,577	48,552	-	-

Interest bearing

Shangri-La Yangon Company Limited	767,081	796,369	-	-
Traders Yangon Company Limited	529,292	549,814	-	-
Traders Square Company Limited	894,830	929,004	-	-
	2,191,203	2,275,187	-	-
Total long-term loans to and interest receivables from related parties	2,237,780	2,323,739	-	-

The above loans-interest bearing carry interests at the rates of USD LIBOR and USD LIBOR plus 1 percent per annum.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Audited)		(Audited)
<u>Other payables - related parties (Note 10)</u>				
Related companies				
Shangri-La International Hotel Management Limited	19,553	14,370	19,553	14,370
Shangri-La International Hotel Management BV	10,846	11,189	10,846	11,189
Total other payables - related parties	30,399	25,559	30,399	25,559

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
<u>Short-term loan from related party</u>				
Subsidiary				
Hasfield Holdings Pte., Ltd.	-	-	518,700	539,550
	-	-	518,700	539,550

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

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

(Unit: Thousand Baht)

	Separate financial statements			
	Balance	Increase	Decrease	Balance
	as at	during	during	as at
	1 January 2017	the current	the current	31 March 2017
		period	period	
			Loss on	
			exchange	
<u>Interest receivables from related party</u>				
Subsidiary				
TRR-Kerry Development Company Limited	39,111	-	-	39,111
Total interest receivables from related party	39,111	-	-	39,111

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance	Increase	Decrease	Balance
	as at	during	during	as at
	1 January 2017	the current	the current	31 March 2017
		period	period	
			Loss on	
			exchange	
<u>Long-term loans to and interest</u>				
<u>receivables from related parties</u>				
Associated companies				
Non-interest bearing				
Traders Square Company Limited	48,552	-	-	46,577
Interest bearing				
Shangri-La Yangon Company Limited	796,369	3,171	-	767,081
Traders Yangon Company Limited	549,814	1,882	-	529,292
Traders Square Company Limited	929,004	3,690	-	894,830
Total long-term loans to and interest				
receivables from related parties	2,323,739	8,743	-	2,237,780

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 1 January 2017	Increase during the current period	Decrease during the current period	Balance as at 31 March 2017
<u>Short-term loans from related party</u>				
Subsidiary				
Hasfield Holdings Pte.,Ltd.	539,550	-	-	518,700
Total short-term loans from related party	539,550	-	-	518,700

Directors and management's benefits

During the three-month periods ended 31 March 2017 and 2016, 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 financial statements/ Separate financial statements	
	2017	2016
Short-term employee benefits	14,238	14,167
Post-employment benefits	989	976
Total	15,227	15,143

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 17.2 to the financial statements.

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
<u>Trade receivables - unrelated parties</u>				
Age on the basis of invoice date				
Less than 120 days	130,431	137,181	130,431	137,181
120 - 180 days	373	53	373	53
Over 180 days	198	109	198	109
Total	131,002	137,343	131,002	137,343
Less: Allowance for doubtful debts	(233)	(140)	(233)	(140)
Total trade receivables - unrelated parties, net	130,769	137,203	130,769	137,203
<u>Other receivables</u>				
Other receivables - related parties (Note 3)	6,666	4,338	6,666	4,338
Other receivables - unrelated parties	18,085	14,690	16,626	13,115
Prepaid expenses	13,878	13,467	13,862	13,451
Total other receivables	38,629	32,495	37,154	30,904
Total trade and other receivables - net	169,398	169,698	167,923	168,107

5. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December
	2017	2016	2017	2016	2017	2016
			(Percent)	(Percent)		(Audited)
Town Development Company Limited	Baht 1,303 million	Baht 1,303 million	100	100	1,303,000	1,303,000
Total investments in subsidiary					1,303,000	1,303,000

(Unaudited but reviewed)

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

Company's name	Nature of business	Country of incorporation	Paid-up capital		Percentage of shareholding			
			31 March	31 December	31 March	31 December		
			2017	2016	2017	2016		
				(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:

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 March	31 December	31 March	31 December	31 March	31 December
			2017	2016	2017	2016	2017	2016
				(Audited)		(Audited)		
<u>Associated companies (owned by Zukerman Limited)</u>								
Traders Yangon Company Limited	Hotel	Myanmar	23.53	23.53	30,689	31,990	-	-
Shangri-La Yangon Company Limited	Serviced apartments	Myanmar	22.22	22.22	18,140	18,909	-	-
Traders Square Company Limited	Commercial complex and office for rent	Myanmar	23.56	23.56	723	754	-	-
Total					49,552	51,653	-	-

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 the three-month periods ended		Profit (loss) for the three-month periods ended	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March		31 March	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Traders Yangon Company Limited	USD 3.6 million	USD 3.6 million	2,541,367	2,799,768	4,180,961	4,511,864	220,989	268,820	6,660	59,879
Shangri-La Yangon Company Limited	USD 2.0 million	USD 2.0 million	4,134,574	4,423,468	4,512,348	4,799,785	156,977	163,640	(16,265)	(5,145)
Traders Square Company Limited	USD 0.1 million	USD 0.1 million	4,216,069	4,357,429	4,335,699	4,419,877	26,978	-	(62,220)	(2,876)

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.

Company's name	Unrecognised share of gains (losses)		
	For the three-month period ended	Cumulative unrecognised share of losses as at	
	31 March 2017	31 March 2017	31 December 2016
			(Audited)
Traders Yangon Company Limited	1,567	(394,664)	(396,231)
Shangri-La Yangon Company Limited	(3,614)	(82,221)	(78,607)
Traders Square Company Limited	(14,659)	(30,582)	(15,923)
Total	(16,706)	(507,467)	(490,761)

The financial information of associated companies

The financial information of these associated companies for the three-month periods ended 31 March 2017 and 2016, 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.

(Unaudited but reviewed)

7. Investments in related party

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2017	31 December 2016
		(Audited)
Cost - Ordinary shares of Shangri-La Asia Limited	371,071	386,806
Add: Unrealised gain on changes in value of investments	153,178	8,736
Fair value	<u>524,249</u>	<u>395,542</u>

8. Investments in other company - Net

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2017	31 December 2016
		(Audited)
Cost - Ordinary shares of Don Muang Tollway Public Company Limited	213,164	213,164
Less: Allowance for loss on diminution in value of investments	(82,013)	(82,013)
Investments in other company, net	<u>131,151</u>	<u>131,151</u>

9. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2017	2,074,428	2,072,574
Acquisitions during the period - at cost	12,334	12,334
Disposals during the period - net book value at disposal date	(70)	(70)
Depreciation for the period	(64,191)	(64,191)
Net book value as at 31 March 2017	<u>2,022,501</u>	<u>2,020,647</u>

(Unaudited but reviewed)

10. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Trade payables - unrelated parties	86,097	94,667	86,097	94,667
Other payables - related parties (Note 3)	30,399	25,559	30,399	25,559
Other payables - unrelated parties	17,815	19,807	17,815	19,807
Interest payables to minority shareholders of subsidiary	29,577	29,577	-	-
Payables for purchases of assets	2,314	4,016	2,314	4,016
Retention payables	7,675	7,636	7,675	7,636
Accrued expenses	100,846	135,821	99,870	135,175
Total trade and other payables	<u>274,723</u>	<u>317,083</u>	<u>244,170</u>	<u>286,860</u>

11. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Advances from customers	76,305	79,799	76,305	79,799
Others	39,380	39,852	39,380	39,852
Total other current liabilities	<u>115,685</u>	<u>119,651</u>	<u>115,685</u>	<u>119,651</u>

12. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits account during the three-month period ended 31 March 2017 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements/ Separate financial statements
	<hr/>
Balance as at 1 January 2017	65,612
Current service cost	1,495
Interest cost	443
Benefits paid during the period	(282)
Balance as at 31 March 2017	<hr/> <hr/> 67,268

13. Finance cost

Finance cost for the three-month period ended 31 March 2017 and 2016 are summarised below:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Unrealised gain on exchange rate of short-term loans from related party	-	-	20,850	9,300
Total	<hr/> -	<hr/> -	<hr/> 20,850	<hr/> 9,300

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 periods ended 31 March 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	(52,674)	(54,523)	(52,389)	(54,200)
Deferred tax:				
Relating to origination and reversal of temporary differences	359	538	359	538
Income tax expenses reported in the statements of comprehensive income	<u>(52,315)</u>	<u>(53,985)</u>	<u>(52,030)</u>	<u>(53,662)</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 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit for the period (Thousand Baht)	163,135	158,568	208,424	214,807
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Earnings per share (Baht per share)	1.25	1.22	1.60	1.65

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 periods ended 31 March 2017 and 2016.

(Unit: Million Baht)

	For the three-month periods ended 31 March											
	Hotel business				Holding Investment	Total segments	Adjustments and		Consolidated			
	Hotel in Bangkok		Hotel in Chiangmai				eliminations					
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016		
Revenues												
External customers	519	542	141	153	-	-	660	695	-	-	660	695
Total revenues	519	542	141	153	-	-	660	695	-	-	660	695
Operating results												
Segment gross profit	361	385	105	113	-	-	466	498	-	-	466	498
Interest income	10	10	-	-	11	13	21	23	-	-	21	23
Other income	6	4	-	-	-	4	6	8	-	-	6	8
Depreciation and amortisation expenses	(37)	(38)	(28)	(27)	-	-	(65)	(65)	-	-	(65)	(65)
Exchange losses	-	-	-	-	(35)	(59)	(35)	(59)	-	-	(35)	(59)
Profit before income tax expenses	206	219	34	40	(25)	(45)	215	214	-	-	215	214
Income tax expenses	(45)	(46)	(7)	(8)	-	-	(52)	(54)	-	-	(52)	(54)
Profit for the period	161	173	27	32	(25)	(45)	163	160	-	-	163	160

17. Commitments and contingent liabilities

17.1 Capital commitments

As at 31 March 2017, the Company had capital commitments of approximately Baht 28 million (31 December 2016: Baht 40 million), relating to the construction and renovation of the Hotel building.

17.2 Guarantee

- (1) As at 31 March 2017, there were outstanding bank guarantees of approximately Baht 11 million (31 December 2016: Baht 11 million) issued by a bank on behalf of the Company in respect of electricity usage.
- (2) As at 31 March 2017 and 31 December 2016, the Company has guaranteed loans of its two associated companies, Traders Yangon Company Limited and Shangri-La Yangon Company Limited, amounting to USD 11.77 million and USD 6.67 million, respectively, which is guaranteed loans with respect to the subsidiary's proportionate interest in these associates.

18. Foreign currency risk

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries as at 31 March 2017 and 31 December 2016 are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	As at 31 March 2017	As at 31 December 2016	As at 31 March 2017	As at 31 December 2016	As at 31 March 2017	As at 31 December 2016
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit)	
USD	66	66	-	-	34.4501	35.8307
Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	As at 31 March 2017	As at 31 December 2016	As at 31 March 2017	As at 31 December 2016	As at 31 March 2017	As at 31 December 2016
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit)	
USD	-	-	15	15	34.4501	35.8307

19. Fair value of financial instruments

As at 31 March 2017 and 31 December 2016, the subsidiary had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 March 2017			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments in related party				
Equity instruments	524,249	-	-	524,249

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments in related party				
Equity instruments	395,542	-	-	395,542

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

20. Events after the reporting period

On 27 April 2017, a meeting of the Company's Annual General Meeting of the shareholders approved the payment of a dividend for 2016 of Baht 2.00 per share, or a total of Baht 260 million. The dividend will be paid to the shareholders in May 2017 and will be recorded in the second quarter of current year.

21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 15 May 2017.

Headline: Reviewed Quarter 1 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 1		
(In thousands)			
The Consolidated Financial Statement			
	Quarter 1		
Status	Reviewed		
Ending	31 March		
Year	2017	2016	
Net profit (loss)	163,135	158,568	
EPS (baht)	1.25	1.22	

The Company Financial Statement

	Quarter 1		
Status	Reviewed		
Ending	31 March		
Year	2017	2016	
Net profit (loss)	208,424	214,807	
EPS (baht)	1.60	1.65	

Type of report Unqualified opinion

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

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

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

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.