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SHANGRI-LA ASIA LIMITED

香格里拉(亞洲)有限公司

(Incorporated in Bermuda with limited liability)

website: www.ir.shangri-la.com

(Stock code: 00069)

OVERSEAS REGULATORY ANNOUNCEMENT

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

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

Executive directors

Mr KUOK Khoon Chen (Chairman)

Mr LUI Man Shing

Mr Madhu Rama Chandra RAO

Mr Gregory Allan DOGAN

Independent non-executive directors

Mr Alexander Reid HAMILTON

Mr Timothy David DATTELS

Mr WONG Kai Man

Mr Michael Wing-Nin CHIU

Professor LI Kwok Cheung Arthur

Non-executive directors

Mr KUOK Khoon Ean

Mr HO Kian Guan

Mr Roberto V ONGPIN

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

Hong Kong, 8 May 2014

To : Managing Director
The Stock Exchange of Thailand

Date : May 8, 2014

Re : Management Discussion and Analysis for the period ended March 31, 2014

The Board of Directors is pleased to announce the Company's results for the period ended March 31, 2014 as follows:-

Net profit after corporate income tax for the period ended March 31, 2014 and 2013:

(Baht in million)	<u>2014</u>	<u>2013</u>	<u>Change</u>
The Company	91.02	141.02	(35.46%)
Consolidated	92.87	1,583.49	(94.14%)

The Company:

The Company's profit before corporate income tax for the period ended March 31, 2014 decreased by Baht 62.73 million against the corresponding period last year. The decrease in the Company's profit was mainly attributed to the decrease in profit of Shangri-La Hotel, Bangkok ("SLBK") by Baht 78.01 million and increase in profit of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 15.28 million. Revenues from hotel operation of SLBK decreased by Baht 133.02 million from Baht 559.29 million to Baht 426.27 million due to the lower room occupancy, food & beverage revenues and other revenues. Profit before expenses decreased by Baht 105.43 million. Selling and administrative expenses decreased by Baht 3.90 million and Baht 22.41 million respectively. Depreciation decreased by Baht 11.03 million against the same period last year. Finance cost decreased by Baht 9.91 million. As a result, the profit before corporate income tax decreased by Baht 78.01 million from profit of Baht 178.38 million to Baht 100.37 million.

Profit of SLCM increased by Baht 15.28 million primarily due to higher revenues from hotel operation by Baht 17.44 million from Baht 99.65 million to Baht 117.09 million as a result of higher average room rates and decrease in depreciation expenses by Baht 6.71 million due to completion of five year depreciable life of furniture & fixture capitalized from initial investment in SLCM. Profit before expenses increased by Baht 14.58 million from Baht 68.78 million to Baht 83.36 million. Selling and administrative expenses increased by Baht 1.72 million and Baht 4.28 million respectively. As a result, the profit before corporate income tax increased by Baht 15.28 million from loss of Baht 2.01 million to profit of Baht 13.27 million. Consequently, the total profit before corporate income tax of SLBK and SLCM decreased by Baht 62.73 million to Baht 113.63 million. The corporate income tax decreased by Baht 12.73 million. As a result, the Company recorded a net profit after tax of Baht 91.02 million for the period ended March 31, 2014 compared to profit of Baht 141.02 million of the same period last year (decreased by 35.46%).

Consolidated:

The consolidated profit before corporate income tax for the period ended March 31, 2014 decreased by Baht 1,503.18 million against the corresponding period last year. The decrease in consolidated profit before corporate income tax is due to the decrease in the Company's profit before corporate income tax of Baht 62.73 million whereas the profit of subsidiaries of the Company decreased by Baht 1,440.45 million due to non recurring transaction from gain on disposal of investment in March 2013. As a result, the corporate income tax decreased by Baht 12.56 million. Overall, the consolidated net profit after tax for the period ended March 31, 2014 decreased by Baht 1,490.62 million against the corresponding period last year (decreased by 94.14%).

Yours faithfully,

(Mrs. Pavinee Meensuk)
Director and Company Secretary

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	2014	2013
Net profit (loss)	92,868	1,583,487
EPS (baht)	0.71	12.18

The Company Financial Statement

	Quarter 1	
Status	Reviewed	
Ending	31 March	
Year	2014	2013
Net profit (loss)	91,015	141,015
EPS (baht)	0.70	1.08

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

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

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

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Shangri-La Hotel Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month period ended
31 March 2014

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Shangri-La Hotel Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Shangri-La Hotel Public Company Limited and its subsidiaries as at 31 March 2014, 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 Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Other matter

The consolidated statement of financial position of Shangri-La Hotel Public Company Limited and its subsidiaries, and the separate statement of financial position of Shangri-La Hotel Public Company Limited as at 31 December 2013, presented as comparative information, were audited by another auditor who expressed an unqualified opinion on those statements, under his report dated 24 February 2014. The consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2013 of Shangri-La Hotel Public Company Limited and its subsidiaries, and the separate financial statements of Shangri-La Hotel Public Company Limited for the same period, presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under his report dated 13 May 2013, that nothing had come to his attention that caused him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting*.

Siraporn Ouuanunkun
Certified Public Accountant (Thailand) No. 3844

EY Office Limited
Bangkok: 8 May 2014

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2014	31 December 2013	31 March 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,903,577	2,009,454	613,942	700,452
Current investments - fixed deposits					
with financial institutions		236,900	-	220,000	-
Trade and other receivables	3	136,664	184,953	136,221	183,882
Short-term loans to and interest receivables					
from related parties	2	-	-	164,285	165,266
Inventories		31,746	34,276	31,746	34,276
Other current assets		7,885	8,832	7,865	8,812
Total current assets		2,316,772	2,237,515	1,174,059	1,092,688
Non-current assets					
Investments in subsidiaries	4	-	-	1,303,000	1,303,000
Investments in associates	5	684	1,477	-	-
Other long-term investments					
Available-for-sale securities	6	70,803	73,525	70,803	73,525
Investments in related parties	7	556,861	669,202	-	-
Investment in other company	8	131,151	131,151	-	-
Long-term loans to and interest receivables					
from related parties	2	1,318,410	1,323,073	-	-
Property, plant and equipment	9	2,703,667	2,800,000	2,701,813	2,798,146
Intangible assets		3,732	3,458	3,732	3,458
Deferred tax assets	14	75,837	97,911	59,434	81,509
Other non-current assets		4,744	5,015	4,745	5,015
Total non-current assets		4,865,889	5,104,812	4,143,527	4,264,653
Total assets		7,182,661	7,342,327	5,317,586	5,357,341

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 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2014	31 December 2013	31 March 2014	31 December 2013
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	10	268,106	383,133	218,100	333,504
Short-term loans from related parties	2	-	-	488,400	494,241
Other current liabilities	11	101,249	110,154	100,487	109,463
Total current liabilities		369,355	493,287	806,987	937,208
Non-current liabilities					
Provision for long-term employee benefits	12	52,554	50,932	52,554	50,932
Rental deposits		17,811	17,804	17,811	17,804
Total non-current liabilities		70,365	68,736	70,365	68,736
Total liabilities		439,720	562,023	877,352	1,005,944
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		2,594,412	2,501,544	1,408,007	1,316,992
Other components of shareholders' equity		1,119,706	1,249,931	11,827	14,005
Equity attributable to owners of the Company		6,734,518	6,771,875	4,440,234	4,351,397
Non-controlling interests of the subsidiaries		8,423	8,429	-	-
Total shareholders' equity		6,742,941	6,780,304	4,440,234	4,351,397
Total liabilities and shareholders' equity		7,182,661	7,342,327	5,317,586	5,357,341
		-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 31 March 2014**

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

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Profit or loss:					
Revenues					
Revenues from hotel operations		543,353	658,940	543,353	658,940
Other income					
Gains on sales of investment in related party	7	-	1,442,427	-	-
Others		19,097	17,175	9,172	12,847
Total revenues		562,450	2,118,542	552,525	671,787
Expenses					
Cost of hotel operations		168,653	197,065	168,653	197,065
Selling expenses		35,520	37,693	35,520	37,693
Administrative expenses		129,376	150,288	128,006	146,135
Depreciation and amortisation expenses		112,553	130,286	112,553	130,286
Total expenses		446,102	515,332	444,732	511,179
Profit before share of loss from investments in associates, finance cost and income tax expenses					
		116,348	1,603,210	107,793	160,608
Share of loss from investments in associates		(793)	-	-	-
Profit before finance cost and income tax expenses		115,555	1,603,210	107,793	160,608
Finance cost	13	224	15,751	5,841	15,751
Profit before income tax expenses		115,779	1,618,961	113,634	176,359
Income tax expenses	14	(22,917)	(35,474)	(22,619)	(35,344)
Profit for the period		92,862	1,583,487	91,015	141,015
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		(19,844)	(97,074)	-	-
Gain (loss) on changes in value of available-for-sale investments		(110,926)	(4,194)	(2,723)	13,398
Income tax effect	14	545	(2,680)	545	(2,680)
Other comprehensive income for the period		(130,225)	(103,948)	(2,178)	10,718
Total comprehensive income for the period		(37,363)	1,479,539	88,837	151,733

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 2014

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

	Consolidated financial statements		Separate financial statements	
<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit attributable to:				
Equity holders of the Company	92,868	1,583,487	<u>91,015</u>	<u>141,015</u>
Non-controlling interests of the subsidiaries	<u>(6)</u>	<u>-</u>		
	<u>92,862</u>	<u>1,583,487</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	(37,357)	1,479,539	<u>88,837</u>	<u>151,733</u>
Non-controlling interests of the subsidiaries	<u>(6)</u>	<u>-</u>		
	<u>(37,363)</u>	<u>1,479,539</u>		
Earnings per share				
Basic earnings per share	15			
Profit attributable to equity holders of the Company	<u>0.71</u>	<u>12.18</u>	<u>0.70</u>	<u>1.08</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 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities					
Profit before tax		115,779	1,618,961	113,634	176,359
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation		112,553	130,286	112,553	130,286
Allowance for doubtful accounts		177	2,752	177	2,752
Allowance for impairment loss on investment		-	3,862	-	-
Gain on sales of plant and equipments		(20)	(317)	(20)	(317)
Share of loss from investments in associates		793	-	-	-
Gains on sales of investment in related party	7	-	(1,442,427)	-	-
Provision for long-term employee benefits		1,622	888	1,622	888
Unrealised (gain) loss on exchange		23,514	6,883	(4,002)	(13,366)
Interest income		(18,916)	(5,647)	(5,995)	(4,749)
Interest expenses		-	4,197	-	4,197
Profit from operating activities before changes in operating assets and liabilities		235,502	319,438	217,969	296,050
Operating assets (increase) decrease					
Trade and other receivables		40,610	(6,139)	48,055	(6,139)
Inventories		2,530	2,615	2,530	2,615
Other current assets		1,658	4,791	1,658	4,793
Other non-current assets		271	620	270	620
Operating liabilities increase (decrease)					
Trade and other payables		(105,353)	(75,720)	(105,730)	(75,951)
Other current liabilities		(9,204)	(3,157)	(8,976)	(3,157)
Other non-current liabilities		7	242	7	242
Cash flows from operating activities		166,021	242,690	155,783	219,073
Cash received from interest income		8,354	3,555	5,424	3,344
Cash paid for interest expenses		-	(1,707)	-	(1,707)
Cash paid for corporate income tax		(711)	(662)	(711)	(661)
Net cash flows from operating activities		173,664	243,876	160,496	220,049

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 2014

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from investing activities					
Cash receipt (paid) for short-term investments - net		(236,900)	(1,569,246)	(220,000)	-
Proceeds from sales of investment in related party		-	1,841,231	-	-
Short-term loans to related party		-	-	(858)	-
Cash received from loans to related parties		-	168,383	-	-
Acquisitions of property, plant and equipment		(26,170)	(29,550)	(26,170)	(29,550)
Proceeds from sales of plant and equipment		22	317	22	317
Net cash flows from (used in) investing activities		(263,048)	411,135	(247,006)	(29,233)
Cash flows from financing activities					
Repayment of long-term loans		-	(70,000)	-	(70,000)
Net cash flows used in financing activities		-	(70,000)	-	(70,000)
Decrease in translation adjustments		(15,706)	(66,616)	-	-
Net increase (decrease) in cash and cash equivalents		(105,090)	518,395	(86,510)	120,816
Unrealised exchange losses for cash and cash equivalents		(787)	-	-	-
Cash and cash equivalents at beginning of period		2,009,454	650,118	700,452	503,603
Cash and cash equivalents at end of period		1,903,577	1,168,513	613,942	624,419
		-	-	-	-
Supplemental cash flow information					
Non-cash transactions					
Payable from purchases of property, plant and equipment		5,679	27,380	5,679	27,380

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 2014

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
				Other components of equity								
				Other comprehensive income								
				Exchange differences on translation of financial statements in foreign currency								
				Surplus on changes in value of available-for-sale investments		Actuarial loss on defined employee benefit plans		Total other components of shareholders' equity		Total equity attributable to owners of the Company		
Issued and fully paid-up share capital		Retained earnings		Other company		Related company		Total other components of shareholders' equity		Equity attributable to non-controlling interests of the subsidiaries		Total shareholders' equity
Share premium	Appropriated	Unappropriated	foreign currency	company	company	benefit plans	equity	the Company	the subsidiaries	equity	equity	
Balance as at 1 January 2013	1,300,000	1,590,400	130,000	743,225	758,564	174	306,609	-	1,065,347	4,828,972	-	4,828,972
Total comprehensive income for the period	-	-	-	1,583,487	(97,074)	10,718	(17,592)	-	(103,948)	1,479,539	-	1,479,539
Balance as at 31 March 2013	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>2,326,712</u>	<u>661,490</u>	<u>10,892</u>	<u>289,017</u>	<u>-</u>	<u>961,399</u>	<u>6,308,511</u>	<u>-</u>	<u>6,308,511</u>
Balance as at 1 January 2014	1,300,000	1,590,400	130,000	2,501,544	920,877	18,735	315,049	(4,730)	1,249,931	6,771,875	8,429	6,780,304
Total comprehensive income for the period	-	-	-	92,868	(19,844)	(2,178)	(108,203)	-	(130,225)	(37,357)	(6)	(37,363)
Balance as at 31 March 2014	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>2,594,412</u>	<u>901,033</u>	<u>16,557</u>	<u>206,846</u>	<u>(4,730)</u>	<u>1,119,706</u>	<u>6,734,518</u>	<u>8,423</u>	<u>6,742,941</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 2014

(Unit: Thousand Baht)

Separate financial statements								
				<u>Other components of equity</u>				
				<u>Other comprehensive income</u>				
				Surplus				
				on changes	Actuarials loss	Total other		
Issued and	<u>Retained earnings</u>			in value of	on defined	components of	Total	
fully paid-up	Share premium	Appropriated	Unappropriated	available-for-sale	employee	shareholders'	shareholders'	
share capital				investments	benefit plans	equity	equity	
Balance as at 1 January 2013	1,300,000	1,590,400	130,000	1,361,770	174	-	174	4,382,344
Total comprehensive income for the period	-	-	-	141,015	10,718	-	10,718	151,733
Balance as at 31 March 2013	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>1,502,785</u>	<u>10,892</u>	<u>-</u>	<u>10,892</u>	<u>4,534,077</u>
Balance as at 1 January 2014	1,300,000	1,590,400	130,000	1,316,992	18,735	(4,730)	14,005	4,351,397
Total comprehensive income for the period	-	-	-	91,015	(2,178)	-	(2,178)	88,837
Balance as at 31 March 2014	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>1,408,007</u>	<u>16,557</u>	<u>(4,730)</u>	<u>11,827</u>	<u>4,440,234</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 2014

1. General information

1.1 Basis for the preparation of interim financial statements

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

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

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

1.2 Basis of consolidation

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

1.3 New accounting standards

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

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

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

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

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

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

1.4 Significant accounting policies

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

2. Related party transactions

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

(Unit: Million Baht)

	For the three-month period ended 31 March				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	-	1	1	At a rate of LIBOR 1 Month plus 2.05 percent per annum
<u>Transactions with associated companies</u>					
Interest income	11	-	-	-	At rates of 0.73 to 2.05 percent per annum
<u>Transactions with related companies</u>					
Revenue from hotel operations	4	4	4	4	Normal business price
Royalty fees	18	20	18	20	Contract price
Marketing and promotion fees	5	7	5	7	Contract price
Advertising and reservation fees	4	4	4	4	Contract price
Interest expenses	-	2	-	2	At a rate of LIBOR 1 month plus 2.05 percent per annum

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
	(Audited)		(Audited)	
<u>Other receivables - related parties (Note 3)</u>				
Associated company				
Traders Yangon Company Limited	2,871	1,423	2,871	1,423
Related companies				
Others	804	-	804	-
Total other receivables - related parties	<u>3,675</u>	<u>1,423</u>	<u>3,675</u>	<u>1,423</u>
<u>Short-term loans to and interest receivables</u>				
<u>from related parties</u>				
Subsidiaries				
Apizaco Limited	-	-	164,285	165,266
TRR-Kerry Development Company Limited	-	-	63,935	63,935
Total	-	-	<u>228,220</u>	<u>229,201</u>
Less: Allowance for doubtful interest receivables	-	-	<u>(63,935)</u>	<u>(63,935)</u>
Total short-term loans to and interest receivables from related parties - net	<u>-</u>	<u>-</u>	<u>164,285</u>	<u>165,266</u>

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
	(Audited)		(Audited)	
<u>Long-term loans to and interest receivables</u>				
<u>from related parties</u>				
Associated companies				
Non-interest bearing				
Traders Yangon Company Limited	339,275	343,287	-	-
Shangri-La Yangon Company Limited	236,667	239,465	-	-
Traders Square Company Limited	43,934	44,453	-	-
	<u>619,876</u>	<u>627,205</u>	<u>-</u>	<u>-</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
Interest bearing				
Traders Yangon Company Limited	521,479	526,903	-	-
Shangri-La Yangon Company Limited	540,643	536,851	-	-
Traders Square Company Limited	244,870	247,766	-	-
	1,306,992	1,311,520	-	-
Total	1,926,868	1,938,725	-	-
Less: Allowance for doubtful loans	(608,458)	(615,652)	-	-
Total long-term loans to and interest receivables from related parties - net	1,318,410	1,323,073	-	-

The above loans carry interest at the rates of 0.73 to 2.05 percent per annum.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
<u>Trade payables - related parties (Note 10)</u>				
Related companies	5,075	-	5,075	-
<u>Other payables - related parties (Note 10)</u>				
Related companies				
Shangri-La International Hotel Management Limited	16,465	18,588	16,465	18,588
Shangri-La International Hotel Management BV	8,907	11,840	8,907	11,840
Total other payables - related parties	25,372	30,428	25,372	30,428
<u>Short-term loan from related parties</u>				
Subsidiary				
Hasfeild Holdings Pte., Ltd.	-	-	488,400	494,241
	-	-	488,400	494,241

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

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

(Unit: Thousand Baht)

	Separate financial statements				
	Balance	Increase	Decrease	Unrealized	Balance
	as at 1 January 2014	during the period	during the period	loss on exchange	as at 31 March 2014
<u>Short-term loans to and interest</u>					
<u>receivables from related parties</u>					
Subsidiaries					
Apizaco Limited	165,266	858	-	(1,839)	164,285
TRR-Kerry Development Company Limited	63,935	-	-	-	63,935
Total short-term loans to and interest receivables from related parties	229,201	858	-	(1,839)	228,220

(Unit: Thousand Baht)

	Consolidated financial statements				
	Balance	Increase	Decrease	Unrealized	Balance
	as at 1 January 2014	during the period	during the period	loss on exchange	as at 31 March 2014
<u>Long-term loans to and interest</u>					
<u>receivables from related parties</u>					
Associated companies					
Non-interest bearing					
Traders Yangon Company Limited	343,287	-	-	(4,012)	339,275
Shangri-La Yangon Company Limited	239,465	-	-	(2,798)	236,667
Traders Square Company Limited	44,453	-	-	(519)	43,934
Interest bearing					
Traders Yangon Company Limited	526,903	738	-	(6,162)	521,479
Shangri-La Yangon Company Limited	536,851	10,132	-	(6,340)	540,643
Traders Square Company Limited	247,766	-	-	(2,896)	244,870
Total long-term loans to and interest receivables from related parties	1,938,725	10,870	-	(22,727)	1,926,868

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 31 March 2014
	Balance as at 1 January 2014	Increase during the period	Decrease during the period	Unrealized gain on exchange	
<u>Short-term loans from related parties</u>					
Subsidiary					
Hasfeild Holdings Pte.,Ltd.	494,241	-	-	(5,841)	488,400
Total short-term loans from related parties	494,241	-	-	(5,841)	488,400

Directors and management's benefits

For the three-month periods ended 31 March 2014 and 2013, the Company and its subsidiaries had employee benefit expenses of their directors and management as detailed below.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	14,088	10,719	14,088	10,719
Post-employment benefits	997	611	997	611
Total	15,085	11,330	15,085	11,330

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
<u>Trade receivables - unrelated parties</u>				
Age on the basis of invoice date				
Less than 120 days	110,662	163,233	110,662	163,233
120 - 180 days	1,587	402	1,587	402
Over 180 days	2,145	1,983	2,145	1,983
Total	114,394	165,618	114,394	165,618
Less: Allowance for doubtful debts	(1,216)	(1,039)	(1,216)	(1,039)
Total trade receivables - unrelated parties, net	113,178	164,579	113,178	164,579
<u>Other receivables</u>				
Other receivables - related parties	3,675	1,423	3,675	1,423
Other receivables - unrelated parties	6,438	7,346	5,995	6,275
Prepaid expenses	13,373	11,605	13,373	11,605
Total other receivables	23,486	20,374	23,043	19,303
Total trade and other receivables - net	136,664	184,953	136,221	183,882

4. 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
	2014	2013	2014	2013	2014	2013
		(Audited)	(%)	(%)		(Audited)
Town Development Company Limited	Baht 1,303 million	Baht 1,303 million	100	100	1,303,000	1,303,000
Total investments in subsidiaries					1,303,000	1,303,000

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

Company's name	Nature of business	Country of incorporation	Paid-up capital		Percentage of shareholding	
			31 March 2014	31 December 2013	31 March 2014	31 December 2013
					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
Hasfeild Holdings Pte.,Ltd.	Holding investment	Singapore	SGD 34 million	SGD 34 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

5. Investments in associates

5.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013
			(%)	(%)		(Audited)		(Audited)
Traders Yangon Company Limited	Hotel	Myanmar	23.53	23.53	28,947	29,290	-	-
Shangri-La Yangon Company Limited	Serviced apartments	Myanmar	22.22	22.22	17,111	17,313	-	785
Traders Square Company Limited	Not yet operated	Myanmar	23.56	23.56	684	692	684	692
Total					46,742	47,295	684	1,477

5.2 Share of loss

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

(Unit: Thousand Baht)

Company's name	Share of loss from investments in associates during the period	
	For the three-month period ended 31 March	
	2014	2013
Shangri-La Yangon Company Limited	785	-
Traders Square Company Limited	8	-
Total	793	-

5.3 Summarised financial information of associates

Financial information of the associated companies is summarised below.

(Unit: Thousand Baht)

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues		Profit (loss)	
							for the three-month		for the three-month	
	periods ended		periods ended		31 March		31 March			
	31 March	31 December	31 March	31 December	31 March	31 December	2014	2013	2014	2013
Traders Yangon Company Limited	117,166 (USD 3.6 million)	118,504 (USD 3.6 million)	2,753,217	2,717,766	4,413,573	4,455,580	305,454	194,204	58,230	36,523
Shangri-La Yangon Company Limited	63,592 (USD 2.0 million)	64,318 (USD 2.0 million)	3,841,014	3,820,207	3,872,882	3,816,674	48,059	-	(35,600)	-
Traders Square Company Limited	2,904 (USD 0.1 million)	2,937 (USD 0.1 million)	1,241,341	1,275,820	1,238,437	1,272,883	-	-	-	-

6. Investments in available-for-sale security

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	31 March	31 December
	2014	2013
Cost - Ordinary shares of Post Publishing Public Company Limited	50,107	50,107
Add: Unrealised gain on changes in value of investments	20,696	23,418
Fair value	70,803	73,525

(Audited)

(Unaudited but reviewed)

7. Investments in related parties

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2014	31 December 2013
		(Audited)
Cost - Ordinary shares of Shangri-La Asia Limited	354,153	354,153
Add: Unrealised gain on changes in value of investments	202,708	315,049
Fair value	<u>556,861</u>	<u>669,202</u>

In March 2013, the subsidiary disposed its investment in Cuscaden Properties Pte., Ltd. to a related party in Singapore at the value of SGD 76 million (or equivalent to Baht 1,841 million). During the first quarter of year 2013, the subsidiary recognised gain on disposal of the investment of Baht 1,442 million as other income in the statement of comprehensive income.

8. Investments in other company - Net

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 March 2014	31 December 2013
		(Audited)
Cost - Ordinary shares of Don Muang Tollway Public Company Limited	213,164	213,164
Less: Provision 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 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2014	2,800,000	2,798,146
Acquisitions during the period - at cost	15,390	15,390
Disposals/write-off during the period - net book value at disposal/write-off date	(2)	(2)
Depreciation for the period	(111,721)	(111,721)
Net book value as at 31 March 2014	<u>2,703,667</u>	<u>2,701,813</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
	2014	2013	2014	2013
		(Audited)		(Audited)
Trade payables - related parties	5,075	-	5,075	-
Trade payables - unrelated parties	78,519	120,470	78,519	120,470
Other payables - related parties	25,372	30,428	25,372	30,428
Other payables - unrelated parties	14,136	18,070	12,758	16,959
Interest payables to minority shareholders of subsidiary	48,054	48,054	-	-
Construction payable	5,679	15,353	5,679	15,353
Retention payable	7,588	9,465	7,588	9,465
Accrued expenses	76,596	138,018	76,022	137,554
Others	7,087	3,275	7,087	3,275
Total trade and other payables	<u>268,106</u>	<u>383,133</u>	<u>218,100</u>	<u>333,504</u>

11. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
Advances from customers	75,345	87,418	75,345	87,418
Others	25,904	22,736	25,142	22,045
Total other current liabilities	<u>101,249</u>	<u>110,154</u>	<u>100,487</u>	<u>109,463</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 2014 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements/ Separate financial statements
Balance as at 1 January 2014	50,932
Current service cost	1,193
Interest cost	429
Balance as at 31 March 2014	<u>52,554</u>

13. Finance cost

Finance cost for the three-month periods ended 31 March 2014 and 2013 are summarised below:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Interest expenses	-	(4,197)	-	(4,197)
Realised/unrealised gain on exchange rate on short-term loan from related parties	224	19,948	5,841	19,948
Total	<u>224</u>	<u>15,751</u>	<u>5,841</u>	<u>15,751</u>

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.

(Unaudited but reviewed)

Income tax expenses for the three-month periods ended 31 March 2014 and 2013 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current income tax:				
Interim corporate income tax charge	298	130	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	22,619	35,344	22,619	35,344
Income tax expenses reported in the statements of comprehensive income	<u>22,917</u>	<u>35,474</u>	<u>22,619</u>	<u>35,344</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2014 and 2013 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Deferred tax relating to gain on changes in value of available-for-sale investments	<u>(545)</u>	<u>2,680</u>	<u>(545)</u>	<u>2,680</u>

15. Earnings per share

Basic earnings per share is calculated by dividing profit for the period 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>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit for the period (Thousand Baht)	92,868	1,583,487	91,015	141,015
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Earnings per share (Baht per share)	0.71	12.18	0.70	1.08

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 2014 and 2013, respectively.

(Unit: Thousand Baht)

	Hotel business		Holding Investment	Total segments	Adjustments and eliminations	Consolidated
	Hotel in Bangkok	Hotel in Chiangmai				
For the three-month period ended 31 March 2014						
Revenue						
External customers	426,267	117,086	-	543,353	-	543,353
Total revenue	426,267	117,086	-	543,353	-	543,353
Operating results						
Segment profit	291,675	83,025	-	374,700	-	374,700
Interest income	5,995	-	14,473	20,468	(1,552)	18,916
Other income	2,838	340	-	3,178	(2,997)	181
Depreciation and amortisation expenses	(86,582)	(25,971)	-	(112,553)	-	(112,553)
Share of loss from investments in associates	-	-	(793)	(793)	-	(793)
Non-controlling interest of the subsidiaries	-	-	(6)	(6)	-	(6)
Profit before income tax expense	100,367	13,267	4,651	118,285	(2,500)	115,785
Income tax expense	(22,619)	-	(298)	(22,917)	-	(22,917)
Profit for the period	77,748	13,267	4,353	95,368	(2,500)	92,868

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Hotel business			Total segments	Adjustments and eliminations	Consolidated
	Hotel in Bangkok	Hotel in Chiangmai	Holding Investment			
For the three-month period ended 31 March 2013						
Revenue						
External customers	559,292	99,648	-	658,940	-	658,940
Total revenue	559,292	99,648	-	658,940	-	658,940
Operating results						
Segment profit	393,397	68,478	-	461,875	-	461,875
Interest income	4,748	1	1,870	6,619	(972)	5,647
Other income	7,794	304	1,446,305	1,454,403	(448)	1,453,955
Depreciation and amortisation expenses	(97,607)	(32,679)	-	(130,286)	-	(130,286)
Profit before income tax expense	178,377	(2,018)	1,443,034	1,619,393	(432)	1,618,961
Income tax expense	(35,344)	-	(130)	(35,474)	-	(35,474)
Profit for the period	143,033	(2,018)	1,442,904	1,583,919	(432)	1,583,487

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

(Unit: Thousand Baht)

	Hotel business			Total segments	Adjustments and eliminations	Consolidated
	Hotel in Bangkok	Hotel in Chiangmai	Holding Investment			
Segment assets						
As at 31 March 2014	4,240,533	1,077,052	4,461,777	9,779,362	(2,596,701)	7,182,661
As at 31 December 2013	4,252,949	1,104,392	5,933,794	11,291,135	(3,948,808)	7,342,327

17. Commitments and contingent liabilities

17.1 Capital commitments

As at 31 March 2014, the Company had capital commitments of approximately Baht 17 million (31 December 2013: Baht 32 million), relating to the construction and renovation of the building of the Hotel in Bangkok.

17.2 Guarantee

- (1) As at 31 March 2014, there were outstanding bank guarantees of approximately Baht 12 million (31 December 2013: Baht 12 million) issued by a bank on behalf of the Company in respect of electricity usage.
- (2) The Company has guaranteed loans of its two associated companies, Traders Yangon Company Limited and Shangri-La Yangon Company Limited, amounting to USD 11.77 million (equivalent to approximately Baht 376 million) and USD 6.67 million (equivalent of approximately Baht 213 million) (31 December 2013: Nil), respectively.

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 2014 and 31 December 2013 are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	As at 31 March 2014	As at 31 December 2013	As at 31 March 2014	As at 31 December 2013	As at 31 March 2014	As at 31 December 2013
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit)	
USD	43	41	-	-	32.4432	32.8136
Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	As at 31 March 2014	As at 31 December 2013	As at 31 March 2014	As at 31 December 2013	As at 31 March 2014	As at 31 December 2013
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit)	
USD	5	5	15	15	32.4432	32.8136

19. Events after the reporting period

On 23 April 2014, a meeting of the Company's Annual General Meeting of the shareholders approved a payment of a final dividend for 2013 of Baht 1.50 per share, or a total of Baht 195 million, from the unappropriated retained earnings as at 31 December 2013. The dividend will be paid to the shareholders in May 2014 and will be recorded in the second quarter of 2014.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 May 2014.