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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 director(s)

Ms KUOK Hui Kwong (Chairman)

Mr LIM Beng Chee (CEO)

Mr LUI Man Shing

Mr Madhu Rama Chandra RAO

Independent non-executive director(s)

Mr Alexander Reid HAMILTON

Professor LI Kwok Cheung Arthur

Dr LEE Kai-Fu

Non-executive director(s)

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

Hong Kong, 13 November 2017

Shangri-La Hotel Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month and nine-month periods ended
30 September 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 30 September 2017, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-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: 13 November 2017

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,161,644	1,211,754	39,955	170,724
Current investments - fixed deposits					
with financial institutions		2,646,900	2,258,900	2,625,000	2,250,000
Trade and other receivables	4	141,951	169,698	141,773	168,107
Inventories		29,737	32,199	29,737	32,199
Other current assets		3,744	3,210	3,727	3,192
Total current assets		3,983,976	3,675,761	2,840,192	2,624,222
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	648,577	395,542	-	-
Investment in other company	8	131,151	131,151	-	-
Long-term loans to and interest receivables					
from related parties	3	2,079,697	2,323,739	-	-
Property, plant and equipment	9	1,950,074	2,074,428	1,948,220	2,072,574
Intangible assets		2,861	3,556	2,861	3,556
Deferred tax assets		37,073	38,031	20,670	21,628
Other non-current assets		13,437	7,534	13,437	7,534
Total non-current assets		4,862,870	4,973,981	3,288,188	3,408,292
Total assets		8,846,846	8,649,742	6,128,380	6,032,514

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

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	10	264,040	317,083	239,821	286,860
Short-term loans from related party	3	-	-	502,350	539,550
Income tax payable		33,085	51,864	31,956	49,476
Other current liabilities	11	150,803	119,651	150,803	119,651
Total current liabilities		447,928	488,598	924,930	995,537
Non-current liabilities					
Provision for long-term employee benefits	12	69,448	65,612	69,448	65,612
Rental deposits		16,693	16,254	16,693	16,254
Total non-current liabilities		86,141	81,866	86,141	81,866
Total liabilities		534,069	570,464	1,011,071	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		4,168,013	4,072,863	2,104,854	1,942,656
Other components of shareholders' equity		1,088,979	958,803	(7,945)	(7,945)
Equity attributable to owners of the Company		8,277,392	8,052,066	5,117,309	4,955,111
Non-controlling interests of the subsidiary		35,385	27,212	-	-
Total shareholders' equity		8,312,777	8,079,278	5,117,309	4,955,111
Total liabilities and shareholders' equity		8,846,846	8,649,742	6,128,380	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 30 September 2017

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Revenues from hotel operations		571,087	493,320	571,087	493,320
Other income					
Interest income		19,599	21,472	9,840	9,179
Exchange gains		-	24,682	-	-
Others		10,921	8,859	5,628	5,790
Total revenues		601,607	548,333	586,555	508,289
Expenses					
Cost of hotel operations		193,208	180,045	193,208	180,045
Selling expenses		42,107	35,118	42,107	35,118
Administrative expenses		136,713	134,521	136,419	134,214
Depreciation and amortisation expenses		65,971	64,568	65,971	64,568
Exchange losses		12,423	-	-	-
Total expenses		450,422	414,252	437,705	413,945
Profit before finance cost and income tax expenses		151,185	134,081	148,850	94,344
Finance income (cost)	13	-	-	9,750	6,900
Profit before income tax expenses		151,185	134,081	158,600	101,244
Income tax expenses	14	(28,860)	(22,775)	(27,986)	(20,194)
Profit for the period		122,325	111,306	130,614	81,050
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		(41,010)	(91,105)	-	-
Gain on changes in value of available-for-sale investments		51,951	33,965	-	-
Other comprehensive income for the period		10,941	(57,140)	-	-
Total comprehensive income for the period		133,266	54,166	130,614	81,050

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 September 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	120,282	112,080	<u>130,614</u>	<u>81,050</u>
Non-controlling interests of the subsidiary	<u>2,043</u>	<u>(774)</u>		
	<u>122,325</u>	<u>111,306</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	131,223	54,940	<u>130,614</u>	<u>81,050</u>
Non-controlling interests of the subsidiary	<u>2,043</u>	<u>(774)</u>		
	<u>133,266</u>	<u>54,166</u>		
Earnings per share				
Basic earnings per share	15			
Profit attributable to equity holders of the Company			<u>0.93</u>	<u>0.86</u>
			<u>1.00</u>	<u>0.62</u>

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2017

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

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit or loss:					
Revenues					
Revenues from hotel operations		1,683,465	1,583,776	1,683,465	1,583,776
Other income					
Interest income		61,933	67,865	29,594	29,683
Others		42,282	35,122	16,893	14,903
Total revenues		1,787,680	1,686,763	1,729,952	1,628,362
Expenses					
Cost of hotel operations		545,370	522,857	545,370	522,857
Selling expenses		109,984	101,408	109,984	101,408
Administrative expenses		402,379	400,478	393,011	390,344
Depreciation and amortisation expenses		195,857	194,422	195,857	194,422
Exchange losses		66,875	35,392	-	-
Total expenses		1,320,465	1,254,557	1,244,222	1,209,031
Profit before finance cost and income tax expenses		467,215	432,206	485,730	419,331
Finance income (cost)	13	-	-	37,200	20,400
Profit before income tax expenses		467,215	432,206	522,930	439,731
Income tax expenses	14	(103,892)	(91,809)	(100,732)	(88,281)
Profit for the period		363,323	340,397	422,198	351,450
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		(152,185)	(78,447)	-	-
Gain on changes in value of available-for-sale investments		282,361	44,032	-	-
Other comprehensive income for the period		130,176	(34,415)	-	-
Total comprehensive income for the period		493,499	305,982	422,198	351,450

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the nine-month period ended 30 September 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	355,150	333,450	<u>422,198</u>	<u>351,450</u>
Non-controlling interests of the subsidiary	<u>8,173</u>	<u>6,947</u>		
	<u>363,323</u>	<u>340,397</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	485,326	299,035	<u>422,198</u>	<u>351,450</u>
Non-controlling interests of the subsidiary	<u>8,173</u>	<u>6,947</u>		
	<u>493,499</u>	<u>305,982</u>		
Earnings per share				
Basic earnings per share	15			
Profit attributable to equity holders of the Company			<u>2.73</u>	<u>2.57</u>
			<u>3.25</u>	<u>2.70</u>

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Cash flow statement

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2017	2016	2017	2016
Cash flows from operating activities					
Profit before tax		467,215	432,206	522,930	439,731
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation		195,857	194,422	195,857	194,422
Allowance for doubtful accounts (reversal)		117	(728)	117	(728)
Reversal of reduction of inventory to net realisable value		(172)	(91)	(172)	(91)
Reversal of allowance for interest receivables		-	-	(8,313)	(9,173)
Gain on sales of equipment		(544)	(480)	(544)	(480)
Provision for long-term employee benefits		5,814	5,564	5,814	5,564
Unrealised exchange losses (gains)		206,275	98,674	(37,200)	(20,400)
Dividend income		(25,015)	(20,504)	-	-
Interest income		(61,933)	(67,865)	(29,594)	(29,683)
Profit from operating activities before changes in operating assets and liabilities		787,614	641,198	648,895	579,162
Operating assets (increase) decrease					
Trade and other receivables		22,737	47,455	22,729	47,471
Inventories		2,634	6,218	2,634	6,218
Other current assets		(1,262)	(853)	(1,262)	(853)
Other non-current assets		(5,904)	(7,294)	(5,904)	(7,294)
Operating liabilities increase (decrease)					
Trade and other payables		(51,340)	(61,571)	(45,337)	(54,991)
Other current liabilities		31,153	(2,974)	31,152	(2,974)
Provision for long-term employee benefits		(1,978)	(3,091)	(1,978)	(3,091)
Other non-current liabilities		438	405	438	405
Cash flows from operating activities		784,092	619,493	651,367	564,053
Cash paid for corporate income tax		(120,970)	(121,055)	(116,566)	(117,640)
Net cash flows from operating activities		663,122	498,438	534,801	446,413

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the nine-month period ended 30 September 2017

(Unit: Thousand 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>
Cash flows from investing activities				
Cash paid for current investments - net	(388,000)	(443,900)	(375,000)	(440,000)
Increase in loans to related parties	-	(204,204)	-	-
Cash received from loans to related parties	93,588	-	-	-
Cash received from interest receivables from related party	-	-	8,313	9,173
Cash received from interest income	40,316	45,448	33,083	34,492
Dividend income	25,015	20,504	-	-
Acquisitions of plant and equipment	(72,672)	(101,698)	(72,672)	(101,698)
Proceeds from sales of equipment	706	696	706	696
Net cash flows used in investing activities	<u>(301,047)</u>	<u>(683,154)</u>	<u>(405,570)</u>	<u>(497,337)</u>
Cash flows from financing activities				
Dividend paid	<u>(260,000)</u>	<u>(260,000)</u>	<u>(260,000)</u>	<u>(260,000)</u>
Net cash flows used in financing activities	<u>(260,000)</u>	<u>(260,000)</u>	<u>(260,000)</u>	<u>(260,000)</u>
Decrease in translation adjustments	<u>(152,185)</u>	<u>(78,447)</u>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	<u>(50,110)</u>	<u>(523,163)</u>	<u>(130,769)</u>	<u>(310,924)</u>
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>1,161,644</u>	<u>1,314,666</u>	<u>39,955</u>	<u>256,519</u>
	-	-	-	-

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
				Other components of shareholders' equity							
				Other comprehensive income							
				Exchange	Surplus on						
				differences on	changes						
				translation of	in value of	Actuarial loss					
				financial	available-for-sale	on defined					
				statements in	investments -	employee					
				foreign currency	related company	benefit plans					
Issued and	Retained earnings										
fully paid-up	Share premium	Appropriated	Unappropriated	equity	Total other	Total equity	Equity attributable		Total		
share capital	Share premium	Appropriated	Unappropriated	foreign currency	equity	Total other	Total equity	to non-controlling	interests of	shareholders'	
share capital	Share premium	Appropriated	Unappropriated	foreign currency	related company	benefit plans	equity	the Company	the subsidiary	equity	
Balance as at 1 January 2016	1,300,000	1,590,400	130,000	3,755,887	1,045,789	(20,543)	(7,945)	1,017,301	7,793,588	18,222	7,811,810
Profit for the period	-	-	-	333,450	-	-	-	-	333,450	6,947	340,397
Other comprehensive income for the period	-	-	-	-	(78,447)	44,032	-	(34,415)	(34,415)	-	(34,415)
Total comprehensive income for the period	-	-	-	333,450	(78,447)	44,032	-	(34,415)	299,035	6,947	305,982
Dividend paid (Note 17)	-	-	-	(260,000)	-	-	-	-	(260,000)	-	(260,000)
Balance as at 30 September 2016	1,300,000	1,590,400	130,000	3,829,337	967,342	23,489	(7,945)	982,886	7,832,623	25,169	7,857,792
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	-	-	-	355,150	-	-	-	-	355,150	8,173	363,323
Other comprehensive income for the period	-	-	-	-	(152,185)	282,361	-	130,176	130,176	-	130,176
Total comprehensive income for the period	-	-	-	355,150	(152,185)	282,361	-	130,176	485,326	8,173	493,499
Dividend paid (Note 17)	-	-	-	(260,000)	-	-	-	-	(260,000)	-	(260,000)
Balance as at 30 September 2017	1,300,000	1,590,400	130,000	4,168,013	805,827	291,097	(7,945)	1,088,979	8,277,392	35,385	8,312,777

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

Separate financial statements

	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of shareholders' equity		Total shareholders' equity
			Appropriated	Unappropriated	Other comprehensive income	Total other components of shareholders' equity	
Balance as at 1 January 2016	1,300,000	1,590,400	130,000	1,712,117	(7,945)	(7,945)	4,724,572
Total comprehensive income for the period	-	-	-	351,450	-	-	351,450
Dividend paid (Note 17)	-	-	-	(260,000)	-	-	(260,000)
Balance as at 30 September 2016	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>1,803,567</u>	<u>(7,945)</u>	<u>(7,945)</u>	<u>4,816,022</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	-	-	-	422,198	-	-	422,198
Dividend paid (Note 17)	-	-	-	(260,000)	-	-	(260,000)
Balance as at 30 September 2017	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>2,104,854</u>	<u>(7,945)</u>	<u>(7,945)</u>	<u>5,117,309</u>

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

Shangri-La Hotel Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month and nine-month periods ended 30 September 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 30 September				Transfer Pricing Policy
	Consolidated		Separate		
	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	9	-	-	USD LIBOR and USD LIBOR plus 1 percent per annum
<u>Transactions with related companies</u>					
Revenues from hotel operations	7	5	7	5	Normal business price
Management fees	18	16	18	16	Contract price
Marketing and promotion fees	6	5	6	5	Contract price
Advertising and reservation fees	4	4	4	4	Contract price

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with associated companies</u>					
Interest income	27	26	-	-	USD LIBOR and USD LIBOR plus 1 percent per annum
<u>Transactions with related companies</u>					
Revenues from hotel operations	17	16	17	16	Normal business price
Management fees	54	52	54	52	Contract price
Marketing and promotion fees	17	16	17	16	Contract price
Advertising and reservation fees	12	13	12	13	Contract price

The balances of the accounts between the Company and these related companies as at 30 September 2017 and 31 December 2016 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Audited)		(Audited)
<u>Other receivables - related parties (Note 4)</u>				
Associated company				
Traders Yangon Company Limited	2,984	2,501	2,984	2,501
Related companies				
Shangri-La International Hotel Management Limited	4,271	936	4,271	936
Others	3,891	901	3,891	901
Total other receivables - related parties	<u>11,146</u>	<u>4,338</u>	<u>11,146</u>	<u>4,338</u>
<u>Interest receivables from related party</u>				
Subsidiary				
TRR-Kerry Development Company Limited	-	-	30,798	39,111
Less: Allowance for doubtful interest receivables	-	-	(30,798)	(39,111)
Total interest receivables from related party - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Long-term loans to and interest receivables from related parties</u>				
Associated companies				
Non-interest bearing				
Traders Square Company Limited	44,871	48,552	-	-
	<u>44,871</u>	<u>48,552</u>	<u>-</u>	<u>-</u>
Interest bearing				
Shangri-La Yangon Company Limited	745,069	796,369	-	-
Traders Yangon Company Limited	514,355	549,814	-	-
Traders Square Company Limited	775,402	929,004	-	-
	<u>2,034,826</u>	<u>2,275,187</u>	<u>-</u>	<u>-</u>
Total long-term loans to and interest receivables from related parties	<u>2,079,697</u>	<u>2,323,739</u>	<u>-</u>	<u>-</u>

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
<u>Other payables - related parties (Note 10)</u>				
Related companies				
Shangri-La International Hotel Management Limited	16,856	14,370	16,856	14,370
Shangri-La International Hotel Management BV	8,499	11,189	8,499	11,189
Total other payables - related parties	<u>25,355</u>	<u>25,559</u>	<u>25,355</u>	<u>25,559</u>
<u>Short-term loan from related party</u>				
Subsidiary				
Hasfield Holdings Pte., Ltd.	-	-	502,350	539,550
	<u>-</u>	<u>-</u>	<u>502,350</u>	<u>539,550</u>

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 as at 30 September 2017
	Balance as at 1 January 2017	Increase during the current period	Decrease during the current period	Loss on exchange	
<u>Interest receivables from related party</u>					
Subsidiary					
TRR-Kerry Development Company Limited	39,111	-	(8,313)	-	30,798
Total interest receivables from related party	<u>39,111</u>	<u>-</u>	<u>(8,313)</u>	<u>-</u>	<u>30,798</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements				
	Balance	Increase	Decrease		Balance
	as at	during	during	Loss on	as at
	1 January 2017	the current	the current	exchange	30 September 2017
	period	period			
<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	-	-	(3,681)	44,871
Interest bearing					
Shangri-La Yangon Company Limited	796,369	9,356	-	(60,656)	745,069
Traders Yangon Company Limited	549,814	6,417	-	(41,876)	514,355
Traders Square Company Limited	929,004	10,739	(93,588)	(70,753)	775,402
Total long-term loans to and interest					
receivables from related parties	2,323,739	26,512	(93,588)	(176,966)	2,079,697

(Unit: Thousand Baht)

	Separate financial statements				
	Balance	Increase	Decrease		Balance
	as at	during	during	Gain on	as at
	1 January 2017	the current	the current	exchange	30 September 2017
	period	period			
<u>Short-term loans from related party</u>					
Subsidiary					
Hasfield Holdings Pte.,Ltd.	539,550	-	-	(37,200)	502,350
Total short-term loans from related party	539,550	-	-	(37,200)	502,350

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 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 30 September	
	Consolidated financial statements/ Separate financial statements	
	2017	2016
Short-term employee benefits	14,123	12,834
Post-employment benefits	1,061	808
Total	15,184	13,642

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated financial statements/ Separate financial statements	
	<u>2017</u>	<u>2016</u>
Short-term employee benefits	42,428	40,605
Post-employment benefits	2,963	2,703
Total	<u>45,391</u>	<u>43,308</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 18.2 to the financial statements.

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Audited)		(Audited)
<u>Trade receivables - unrelated parties</u>				
Age on the basis of invoice date				
Less than 120 days	104,097	137,181	104,097	137,181
120 - 180 days	404	53	404	53
Over 180 days	139	109	139	109
Total	<u>104,640</u>	<u>137,343</u>	<u>104,640</u>	<u>137,343</u>
Less: Allowance for doubtful debts	<u>(257)</u>	<u>(140)</u>	<u>(257)</u>	<u>(140)</u>
Total trade receivables - unrelated parties, net	<u>104,383</u>	<u>137,203</u>	<u>104,383</u>	<u>137,203</u>
<u>Other receivables</u>				
Other receivables - related parties (Note 3)	11,146	4,338	11,146	4,338
Other receivables - unrelated parties	8,638	14,690	8,469	13,115
Prepaid expenses	<u>17,784</u>	<u>13,467</u>	<u>17,775</u>	<u>13,451</u>
Total other receivables	<u>37,568</u>	<u>32,495</u>	<u>37,390</u>	<u>30,904</u>
Total trade and other receivables - net	<u>141,951</u>	<u>169,698</u>	<u>141,773</u>	<u>168,107</u>

5. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost	
	30 September	31 December	30 September	31 December	30 September	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

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

Company's name	Nature of business	Country of incorporation	Paid-up capital		Percentage of shareholding	
			30 September	31 December	30 September	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	Not yet operated	Thailand	Baht 0.2 million	Baht 0.2 million	100.00	100.00
<u>Subsidiary held through Apizaco Limited</u>						
Zukerman Limited	Holding investment	British Virgin	USD 1	USD 1	100.00	100.00

6. Investments in associates

6.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
			(Percent)	(Percent)		(Audited)		(Audited)
Associated companies (owned by Zukerman Limited)								
Traders Yangon Company Limited	Hotel	Myanmar	23.53	23.53	29,565	31,990	-	-
Shangri-La Yangon Company Limited	Serviced apartments	Myanmar	22.22	22.22	17,476	18,909	-	-
Traders Square Company Limited	Commercial complex and office for rent	Myanmar	23.56	23.56	697	754	-	-
Total					47,738	51,653	-	-

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 nine-month periods ended		Profit (loss) for the nine-month periods ended	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September		30 September	
							2017	2016	2017	2016
Traders Yangon Company Limited	USD 3.6 million	USD 3.6 million	2,237,783	2,799,768	3,915,071	4,511,864	495,847	610,626	(85,093)	(7,048)
Shangri-La Yangon Company Limited	USD 2.0 million	USD 2.0 million	3,885,074	4,423,468	4,306,596	4,799,785	451,030	477,042	(72,992)	(45,475)
Traders Square Company Limited	USD 0.1 million	USD 0.1 million	3,997,439	4,357,429	4,220,816	4,419,877	107,147	-	(171,198)	(22,472)

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		
	For the nine-month period ended	Cumulative unrecognised share of losses as at	
	30 September 2017	30 September 2017	31 December 2016
			(Audited)
Traders Yangon Company Limited	(20,022)	(416,253)	(396,231)
Shangri-La Yangon Company Limited	(16,219)	(94,826)	(78,607)
Traders Square Company Limited	(40,335)	(56,258)	(15,923)
Total	(76,576)	(567,337)	(490,761)

The financial information of associated companies

The financial information of these associated companies for the three-month and nine-month periods ended 30 September 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.

7. Investments in related party

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 September 2017	31 December 2016
		(Audited)
Cost - Ordinary shares of Shangri-La Asia Limited	357,480	386,806
Add: Unrealised gain on changes in value of investments	291,097	8,736
Fair value	648,577	395,542

During the current period, the subsidiary recognised dividend income from this related party amounting to HKD 0.8 million (equivalent to approximately Baht 3.7 million).

8. Investments in other company - Net

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	
	30 September	31 December
	2017	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>

During the current period, the subsidiary recognised dividend income from such company amounting to Baht 21.3 million.

9. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2017	2,074,428	2,072,574
Acquisitions during the period - at cost	70,221	70,221
Disposals during the period - net book value at disposal date	(162)	(162)
Depreciation for the period	(194,413)	(194,413)
Net book value as at 30 September 2017	<u>1,950,074</u>	<u>1,948,220</u>

(Unaudited but reviewed)

10. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Trade payables - unrelated parties	78,652	94,667	78,652	94,667
Other payables - related parties (Note 3)	25,355	25,559	25,355	25,559
Other payables - unrelated parties	13,529	19,807	13,529	19,807
Interest payables to minority shareholders of subsidiary	23,390	29,577	-	-
Payables for purchases of assets	2,314	4,016	2,314	4,016
Retention payables	8,953	7,636	8,953	7,636
Accrued expenses	111,847	135,821	111,018	135,175
Total trade and other payables	<u>264,040</u>	<u>317,083</u>	<u>239,821</u>	<u>286,860</u>

11. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
Advances from customers	115,743	79,799	115,743	79,799
Others	35,060	39,852	35,060	39,852
Total other current liabilities	<u>150,803</u>	<u>119,651</u>	<u>150,803</u>	<u>119,651</u>

12. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits account during the nine-month period ended 30 September 2017 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements/ Separate financial statements
Balance as at 1 January 2017	65,612
Current service cost	4,485
Interest cost	1,329
Benefits paid during the period	(1,978)
Balance as at 30 September 2017	69,448

13. Finance cost

Finance cost for the three-month and nine-month periods ended 30 September 2017 and 2016 are summarised below:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Unrealised gain on exchange rate on short-term loan from related party	-	-	9,750	6,900
Total	-	-	9,750	6,900

	(Unit: Thousand Baht)			
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Unrealised gain on exchange rate on short-term loan from related party	-	-	37,200	20,400
Total	-	-	37,200	20,400

14. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	(28,900)	(23,005)	(28,026)	(20,424)
Deferred tax:				
Relating to origination and reversal of temporary differences	40	230	40	230
Income tax expenses reported in the statements of comprehensive income	<u>(28,860)</u>	<u>(22,775)</u>	<u>(27,986)</u>	<u>(20,194)</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Interim corporate income tax charge	(102,934)	(90,622)	(99,774)	(87,094)
Deferred tax:				
Relating to origination and reversal of temporary differences	(958)	(1,187)	(958)	(1,187)
Income tax expenses reported in the statements of comprehensive income	<u>(103,892)</u>	<u>(91,809)</u>	<u>(100,732)</u>	<u>(88,281)</u>

15. Earnings per share

Basic earnings per share is calculated by dividing profit for the periods attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit for the period (Thousand Baht)	120,282	112,080	130,614	81,050
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Earnings per share (Baht per share)	0.93	0.86	1.00	0.62

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit for the period (Thousand Baht)	355,150	333,450	422,198	351,450
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Earnings per share (Baht per share)	2.73	2.57	3.25	2.70

16. Segment information

The Company and its subsidiaries are organised into business units based on its services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2017 and 2016.

(Unit: Million Baht)

	For the three-month periods ended 30 September											
	Hotel business				Holding Investment	Total segments		Adjustments and		Consolidated		
	Hotel in Bangkok		Hotel in Chiangmai					eliminations				
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenues												
External customers	456	375	115	118	-	-	571	493	-	-	571	493
Total revenues	456	375	115	118	-	-	571	493	-	-	571	493
Operating results												
Segment gross profit	298	232	79	81	-	-	377	313	-	-	377	313
Interest income	9	9	1	-	10	12	20	21	-	-	20	21
Exchange gains (losses)	-	-	-	-	(12)	25	(12)	25	-	-	(12)	25
Other income	6	4	1	2	4	3	11	9	-	-	11	9
Depreciation and amortisation expenses	(38)	(37)	(28)	(28)	-	-	(66)	(65)	-	-	(66)	(65)
Profit (loss) before income tax expenses	142	82	8	12	1	40	151	134	-	-	151	134
Income tax expenses	(27)	(18)	-	(2)	(2)	(3)	(29)	(23)	-	-	(29)	(23)
Profit (loss) for the period	115	64	8	10	(1)	37	122	111	-	-	122	111

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Hotel business											
	Hotel in		Hotel in		Holding Investment		Total segments		Adjustments and		Consolidated	
	Bangkok		Chiangmai						eliminations			
<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
Revenues												
External customers	1,327	1,226	356	358	-	-	1,683	1,584	-	-	1,683	1,584
Total revenues	1,327	1,226	356	358	-	-	1,683	1,584	-	-	1,683	1,584
Operating results												
Segment gross profit	885	812	253	249	-	-	1,138	1,061	-	-	1,138	1,061
Interest income	29	29	1	1	32	38	62	68	-	-	62	68
Other income	16	12	2	3	24	20	42	35	-	-	42	35
Depreciation and amortisation expenses	(112)	(112)	(84)	(82)	-	-	(196)	(194)	-	-	(196)	(194)
Exchange losses	-	-	-	-	(67)	(35)	(67)	(35)	-	-	(67)	(35)
Profit (loss) before income tax expenses	438	369	41	42	(12)	21	467	432	-	-	467	432
Income tax expenses	(93)	(80)	(7)	(8)	(4)	(4)	(104)	(92)	-	-	(104)	(92)
Profit (loss) for the period	345	289	34	34	(16)	17	363	340	-	-	363	340

17. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Final dividends for 2015	Annual General Meeting of the shareholders on 28 April 2016	260	2.00
Total dividends for 2016		<u>260</u>	<u>2.00</u>
Final dividends for 2016	Annual General Meeting of the shareholders on 27 April 2017	260	2.00
Total dividends for 2017		<u>260</u>	<u>2.00</u>

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

As at 30 September 2017, the Company had capital commitments of approximately Baht 65 million (31 December 2016: Baht 40 million), relating to the construction and renovation of the Hotel building.

18.2 Guarantee

- (1) As at 30 September 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 30 September 2017 and 31 December 2016, the Company has guaranteed 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 guaranteed loans with respect to the subsidiary's proportionate interest in these associates.

18.3 Litigation

In 2012, the Social Security Office ordered the Company to pay additional contributions of Baht 8 million for the year 2010, and the Company filed an appeal with the Board of Appeal, in accordance with the Social Security Act. Subsequently, on 30 June 2017, the Board of Appeal dismissed the Company's appeal and ordered the Company to pay the additional contributions and penalty fees. The Company did not agree with the decision of the Board of Appeal, and therefore filed a lawsuit with the Labour Court requesting the revocation of the order of the Social Security Office and the decision of the Board of Appeal under the Social Security Act B.E. 2533. Currently, the case is awaiting the taking of evidence by the Labour Court. However, the management of the Company believes that the case will not have result in any significant losses.

19. Foreign currency risk

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries as at 30 September 2017 and 31 December 2016 are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	As at	As at	As at	As at	As at	As at
	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		
USD	67	66	-	-	33.3684	35.8307

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	As at	As at	As at	As at	As at	As at
	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		
USD	-	-	15	15	33.3684	35.8307

20. Fair value of financial instruments

As at 30 September 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 30 September 2017			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments in related party				
Equity instruments	648,577	-	-	648,577

(Unaudited but reviewed)

(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.

21. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 November 2017.

To : Managing Director
The Stock Exchange of Thailand

Date : November 13, 2017

Re : Management Discussion and Analysis for the period ended September 30, 2017

The Board of Directors is pleased to announce the Company's results for the period ended September 30, 2017 as follows:-

Net profit after corporate income tax for the three-month period ended September 30, 2017 and 2016:

(Baht in million)	<u>2017</u>	<u>2016</u>	<u>Change (%)</u>
The Company	130.61	81.05	61.15%
Consolidated	120.28	112.08	7.32%

The Company:

The Company's profit before corporate income tax for the three-month period ended September 30, 2017 increased by Baht 57.36 million against the corresponding period last year. The increase in the Company's profit was mainly attributed to the increase in profit before corporate income tax of Shangri-La Hotel, Bangkok ("SLBK") by Baht 62.34 million and decrease in profit before corporate income tax of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 4.98 million.

Revenues from hotel operation of SLBK increased by Baht 81.22 million from Baht 375.39 million to Baht 456.61 million during the same period last year due to the increase in room, food & beverages and other revenues due to higher occupancy, MICE business and higher banqueting revenue. Gross profit increased by Baht 67.06 million. Selling expenses increased by Baht 5.27 million and administrative expenses increased by Baht 2.96 million. Depreciation expenses increased by Baht 0.75 million against the same period last year. Finance cost decreased by Baht 2.85 million due to strengthening of the Thai Baht currency against US Dollar. As a result, the profit before corporate income tax increased by Baht 62.34 million from Baht 88.92 million to Baht 151.26 million.

Revenues from hotel operation of SLCM decreased by Baht 3.45 million from Baht 117.93 million to Baht 114.48 million during the same period last year. Gross profit decreased by Baht 2.45 million. Selling expenses increased by Baht 1.72 million and administrative expenses decreased by Baht 0.76 million. Depreciation expenses increased by Baht 0.66 million against the same period last year. As a result, the profit before corporate income tax decreased by Baht 4.98 million from Baht 12.32 million to Baht 7.34 million.

Consequently, the total profit before corporate income tax of SLBK and SLCM increased by Baht 57.36 million from Baht 101.24 million to Baht 158.60 million. The corporate income tax increased by Baht 7.79 million. As a result, the Company recorded a net profit after tax of Baht 130.61 million for the three-month period ended September 30, 2017 from a profit of Baht 81.05 million against the corresponding period last year (increased by 61.15%).

Consolidated:

The consolidated profit before corporate income tax for the three-month period ended September 30, 2017 increased by Baht 17.10 million against the corresponding period last year. The increase in consolidated profit before corporate income tax was due to the increase in the Company's profit before corporate income tax of Baht 57.36 million whereas profit of subsidiaries decreased by Baht 40.26 million which was largely due to exchange loss from loan to a related company. The corporate income tax increased by Baht 6.08 million. Overall, the consolidated net profit after tax for the three-month period ended September 30, 2017 increased by Baht 8.2 million against the corresponding period last year (increased by 7.32%).

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Net profit after corporate income tax for the nine-month period ended September 30, 2017 and 2016:

(Baht in million)	<u>2017</u>	<u>2016</u>	<u>Change (%)</u>
The Company	422.20	351.45	20.13%
Consolidated	355.15	333.45	6.51%

The Company:

The Company's profit before corporate income tax for the nine-month period ended September 30, 2017 increased by Baht 83.20 million against the corresponding period last year. The increase in the Company's profit was mainly attributed to the increase in profit before corporate income tax of SLBK by Baht 84.80 million and decrease in profit of SLCM by Baht 1.60 million.

Revenues from hotel operation of SLBK increased by Baht 101.89 million from Baht 1,225.80 million to Baht 1,327.69 million during the same period last year due to the increase in room and food & beverages revenues which resulted from higher occupancy. Gross profit increased by Baht 73.57 million. Selling expenses increased by Baht 7.77 million and administrative expenses increased by Baht 1.58 million. Depreciation expenses decreased by Baht 0.68 million against the same period last year. Finance cost decreased by Baht 16.80 million mainly due to strengthening of Thai Baht currency against US Dollar. As a result, the profit before corporate income tax increased by Baht 84.80 million from Baht 397.50 million to Baht 482.30 million.

Revenues from hotel operation of SLCM decreased by Baht 2.20 million from Baht 357.98 million to Baht 355.78 million during the same period last year. Gross profit increased by Baht 3.61 million. Selling expenses increased by Baht 0.81 million and administrative expenses increased by Baht 1.09 million. Depreciation expenses increased by Baht 2.12 million against the same period last year. As a result, the profit before corporate income tax decreased by Baht 1.60 million from Baht 42.23 million to Baht 40.63 million.

Consequently, the total profit before corporate income tax of SLBK and SLCM increased by Baht 83.20 million from Baht 439.73 million to Baht 522.93 million. The corporate income tax increased by Baht 12.45 million. As a result, the Company recorded a net profit after tax of Baht 422.20 million for the nine-month period ended September 30, 2017 from a profit of Baht 351.45 million against the corresponding period last year (increased by 20.13%).

Consolidated:

The consolidated profit before corporate income tax for the nine-month period ended September 30, 2017 increased by Baht 35.01 million against the corresponding period last year. The increase in consolidated profit before corporate income tax was due to the increase in the Company's profit before corporate income tax of Baht 83.20 million and increase in loss from subsidiaries by Baht 48.19 million. The decrease in profit of subsidiaries was largely due to exchange loss from loan to a related company. As a result, the corporate income tax increased by Baht 12.08 million. Overall, the consolidated net profit after tax for the nine-month period ended September 30, 2017 increased by Baht 21.70 million against the corresponding period last year (increased by 6.51%).

Yours faithfully,

Mrs. Pavinee Meensuk
Director and Company Secretary

Headline: Reviewed Quarter 3 and Consolidated F/S (F45-3)

Security Symbol: SHANG

Announcement Details

The Company and Consolidated Financial Statement (F45-3)

Company name	SHANGRI-LA HOTEL PUBLIC COMPANY LIMITED			
Quarter	Quarter 3			

(In thousands)

The Consolidated Financial Statement

	Quarter 3		For 9 Months	
Status	Reviewed		Reviewed	
Ending	30 September		30 September	
Year	2017	2016	2017	2016
Net profit (loss)	120,282	112,080	355,150	333,450
EPS (baht)	0.93	0.86	2.73	2.57

The Company Financial Statement

	Quarter 3		For 9 Months	
Status	Reviewed		Reviewed	
Ending	30 September		30 September	
Year	2017	2016	2017	2016
Net profit (loss)	130,614	81,050	422,198	351,450
EPS (baht)	1.00	0.62	3.25	2.70

Type of report Unqualified opinion

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

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

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

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