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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

Professor LI Kwok Cheung Arthur

Non-executive directors

Mr HO Kian Guan

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

Hong Kong, 13 August 2014

To : Managing Director
The Stock Exchange of Thailand

Date : August 13, 2014

Re : Granting of a proportionate shareholders' loan of US\$ 6,666,000 to Shangri-La Yangon Company Limited ("SYCL")

Dear Sirs,

The Board of Directors ("Board") of Shangri-La Hotel Public Company Limited ("Company") would like to inform you that at its Board Meeting No. 3/2014 held on August 11, 2014, the granting of a proportionate shareholders' loan for an amount of US\$ 6,666,000 to SYCL by Zukerman Limited, a wholly-owned subsidiary of Apizaco Limited which in turn is a wholly-owned subsidiary of the Company, be approved.

The above mentioned transaction constitutes a connected transaction of the Company pursuant to the "Notification of the Board of Governors of the Stock Exchange of Thailand" regarding "Disclosure of Information and Acts of Listed Companies Concerning the Connected Transactions, 2003 (Complete version) and (No. 2), 2004". The Board of the Company hereby forward the Information Memorandum in respect of the said connected transaction for your information.

Yours faithfully,

Mrs. Pavinee Meensuk
Director and Company Secretary

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Shangri-La Hotel Public Company Limited
Registration No. 0107537001773
Information Memorandum Regarding the Connected Party Transaction

1. The transaction and parties involved:

The Board of Directors of Shangri-La Hotel Public Company Limited (“Company”) at its meeting No. 3/2014 held on August 11, 2014, approved the grant of a proportionate shareholders’ loan by Zukerman Limited (“Zukerman”), a wholly-owned subsidiary of Apizaco Limited (“Apizaco”) which in turn is a wholly-owned subsidiary of the Company, to Shangri-La Yangon Company Limited (“SYCL”).

2. Purpose of the proportionate shareholders’ loan:

The proportionate shareholders’ loan granted to SYCL is for the purpose of meeting its funding requirements.

3. Total value of the transaction:

Zukerman holds a 22.22% interest in SYCL. The amount of the loan in proportion to Zukerman’s shareholding interest in SYCL is US\$ 6,666,000 which is equivalent to approximately Baht 206.646 million and represents approximately 3.168% of the Company’s Net Tangible Asset Value as at June 30, 2014 (the Net Tangible Asset Value of the Company as at June 30, 2014 was Baht 6,523.674 million). The said loan will be called by SYCL on or before September 5, 2014 and will carry interest at 1 Year USD LIBOR rate and shall be repayable on demand by the shareholders of SYCL who are holding in aggregate of not less than 51% of the total issued shares of SYCL.

4. Relationship of the related parties with the Company or its subsidiaries:

The Company is a 73.61% indirectly owned subsidiary of Shangri-La Asia Limited (“SA”). Perseverance Investments Limited (“PIL”) and Shangri-La Hotels (Malaysia) Berhad (“SLM”) which are subsidiaries of SA, hold a combined shareholding interest of 50% in SYCL through their respective wholly-owned subsidiaries and are therefore connected persons of the Company according to the “Notification of the Board of Governors of the Stock Exchange of Thailand” regarding “Disclosure of Information and Acts of Listed Companies Concerning the Connected Transactions, 2003 (Complete version) and (No. 2), 2004”. Furthermore, Mr. Maris Pakdeetaveevivat who is a member of SA’s Board of Directors, is also a director of the Company, PIL, Apizaco and Zukerman. Madam Kuok Oon Kwong, who is a member of the Board of Directors of SLM, is also a director of SYCL and the Company. Mrs. Pavinee Meensuk, who is a director of the Company, is also a director of Apizaco and Zukerman.

5. Opinion of the Board of Directors of the Company:

The following directors of the Company have not participated in discussion and voted for the approval of the said transaction:

1. Mr. Maris Pakdeetaveevivat (a common director of the Company, PIL, Apizaco, Zukerman and SA);
2. Madam Kuok Oon Kwong (a common director of the Company, SYCL and SLM); and
3. Mrs. Pavinee Meensuk (a common director of the Company, Apizaco and Zukerman).

The Board of Directors of the Company including the Audit Committee and the independent directors are of the view that the terms including interest rate of the loan are fair and reasonable and in the interest of the Company and its shareholders as a whole.

To : Managing Director
The Stock Exchange of Thailand

Date : August 13, 2014

Re : Management Discussion and Analysis for the period ended June 30, 2014

The Board of Directors is pleased to announce the Company's results for the period ended June 30, 2014 as follows:-

Net profit/(loss) after corporate income tax for the three-month period ended June 30, 2014 and 2013:

(Baht in million)	<u>2014</u>	<u>2013</u>	<u>Change (%)</u>
The Company	(26.70)	(11.12)	140.11%
Consolidated	(25.41)	8.53	(397.89%)

The Company:

The Company's loss before corporate income tax for the three-month period ended June 30, 2014 increased by Baht 19.05 million against the corresponding period last year. The increase in the Company's loss was mainly attributed to the increase in loss of Shangri-La Hotel, Bangkok ("SLBK") by Baht 23.80 million and decrease in loss of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 4.75 million. Revenues from hotel operation of SLBK decreased by Baht 96.22 million from Baht 354.12 million to Baht 257.90 million due to the lower room occupancy, food & beverage revenues and other revenues. Profit before expenses decreased by Baht 78.17 million. Selling and administrative expenses decreased by Baht 12.05 million and Baht 5.40 million respectively. Depreciation decreased by Baht 7.09 million against the same period last year. Finance cost decreased by Baht 29.83 million. As a result, the loss before corporate income tax increased by Baht 23.80 million from loss of Baht 1.24 million to loss of Baht 25.04 million.

Revenues from hotel operation of SLCM increased by Baht 17.66 million from Baht 67.90 million to Baht 85.56 million during the same period last year. Profit before expenses increased by Baht 10.93 million, selling and administrative expenses excluded depreciation increased by Baht 5.49 million. Depreciation increased by Baht 0.69 million against the same period last year. As a result, the loss before corporate income tax decreased by Baht 4.75 million from loss of Baht 13.09 million to loss of Baht 8.34 million. Consequently, the total loss of SLBK and SLCM before corporate income tax increased by Baht 19.05 million from loss of Baht 14.33 million to loss of Baht 33.38 million. The reversal of corporate income tax of Baht 3.47 million from Baht 3.21 million to Baht 6.68 million was due to increase of loss before tax income during the three-month period ended June 30, 2014. As a result, the Company recorded a net loss after tax of Baht 26.70 million for the three-month period ended June 30, 2014 from a loss of Baht 11.12 million against the corresponding period last year (increased by 140.11%).

Consolidated:

The consolidated profit before corporate income tax for the three-month period ended June 30, 2014 decreased by Baht 33.97 million against the corresponding period last year. The decrease in consolidated profit before corporate income tax is due to the increase in the Company's loss before corporate income tax of Baht 19.05 million whereas the profit of subsidiaries of the Company decreased by Baht 14.92 million. The corporate income tax increased by Baht 3.29 million. As a result, the consolidated net profit after tax for the three-month period ended June 30, 2014 decreased by Baht 33.94 million against the corresponding period last year (decreased by 397.89%).

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Net profit after corporate income tax for the six-month period ended June 30, 2014 and 2013:

(Baht in million)	<u>2014</u>	<u>2013</u>	<u>Change (%)</u>
The Company	64.31	129.89	(50.49%)
Consolidated	67.46	1,592.02	(95.76%)

The Company:

The Company's profit before corporate income tax for the six-month period ended June 30, 2014 decreased by Baht 81.78 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 101.81 million and decrease in loss of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 20.03 million. Revenues from hotel operation of SLBK decreased by Baht 229.24 million from Baht 913.41 million to Baht 684.17 million due to the lower room occupancy, food & beverage revenues and other revenues. Profit before expenses decreased by Baht 183.60 million. Selling and administrative expenses decreased by Baht 15.94 million and Baht 27.82 million respectively. Depreciation decreased by Baht 18.12 million against the same period last year. Finance cost decreased by Baht 19.92 million. As a result, the profit before corporate income tax decreased by Baht 101.81 million from Baht 177.14 million to Baht 75.33 million.

Profit of SLCM increased by Baht 20.03 million was mainly attributed to higher revenues from hotel operation of Baht 35.10 million due to the higher average room rates and decrease in depreciation expenses by Baht 6.02 million. The decrease in depreciation was due to completion of five year depreciable life of furniture & fixture capitalized from initial investment in SLCM. Profit before expenses increased by Baht 25.51 million from Baht 113.40 million to Baht 138.91 million. Selling and administrative expenses increased by Baht 2.15 million and Baht 9.35 million respectively. As a result, the profit before corporate income tax increased by Baht 20.03 million from loss of Baht 15.11 million to profit of Baht 4.92 million. Consequently, the total profit of SLBK and SLCM before corporate income tax decreased by Baht 81.78 million to Baht 80.25 million. The corporate income tax decreased by Baht 16.20 million. As a result, the Company recorded a net profit after tax of Baht 64.31 million for the six-month period ended June 30, 2014 from a profit of Baht 129.89 million against the corresponding period last year (decreased by 50.49%).

Consolidated:

The consolidated profit before corporate income tax for the six-month period ended June 30, 2014 decreased by Baht 1,537.15 million against the corresponding period last year. The decrease in consolidated profit before corporate income tax was due to the decrease in the Company's profit before corporate income tax of Baht 81.78 million and the decrease in profit of subsidiaries of the Company by Baht 1,455.37 million. As a result, the corporate income tax decreased by Baht 15.85 million. Overall, the consolidated net profit after tax for the six-month period ended June 30, 2014 decreased by Baht 1,524.56 million against the corresponding period last year (decreased by 95.76%).

Yours faithfully,

Mrs. Pavinee Meensuk
Director and Company Secretary

Headline: Reviewed Quarter 2 and Consolidated F/S (F45-3)
Security Symbol: SHANG

Announcement Details

The Company and Consolidated Financial Statement (F45-3)

Company name	SHANGRI-LA HOTEL PUBLIC COMPANY LIMITED			
Quarter	Quarter 2			

(In thousands)

The Consolidated Financial Statement

	Quarter 2		For 6 Months	
Status	Reviewed		Reviewed	
Ending	30 June		30 June	
Year	2014	2013	2014	2013
Net profit (loss)	(25,410)	8,533	67,458	1,592,020
EPS (baht)	(0.20)	0.07	0.52	12.25

The Company Financial Statement

	Quarter 2		For 6 Months	
Status	Reviewed		Reviewed	
Ending	30 June		30 June	
Year	2014	2013	2014	2013
Net profit (loss)	(26,701)	(11,121)	64,314	129,894
EPS (baht)	(0.21)	(0.09)	0.49	1.00

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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Shangri-La Hotel Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month and six-month periods ended
30 June 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 30 June 2014, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2014, and the related consolidated statements of changes in shareholders' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Shangri-La Hotel Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with 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 for the three-month and six-month periods ended 30 June 2013, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended 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 6 August 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 Ouaanunkun
Certified Public Accountant (Thailand) No. 3844

EY Office Limited
Bangkok: 11 August 2014

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2014

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 June 2014</u> (Unaudited but reviewed)	<u>31 December 2013</u> (Audited)	<u>30 June 2014</u> (Unaudited but reviewed)	<u>31 December 2013</u> (Audited)
Assets					
Current assets					
Cash and cash equivalents		1,588,347	2,009,454	346,309	700,452
Current investments - fixed deposits					
with financial institutions		382,401	-	360,000	-
Trade and other receivables	3	77,231	184,953	76,769	183,882
Short-term loans to and interest receivables					
from related parties	2	-	-	161,947	165,266
Inventories		37,391	34,276	37,391	34,276
Other current assets		8,035	8,832	8,010	8,812
Total current assets		2,093,405	2,237,515	990,426	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	78,972	73,525	78,972	73,525
Investments in related parties	7	532,063	669,202	-	-
Investment in other company	8	131,151	131,151	-	-
Long-term loans to and interest receivables					
from related parties	2	1,380,266	1,323,073	-	-
Property, plant and equipment	9	2,596,602	2,800,000	2,594,748	2,798,146
Intangible assets		4,394	3,458	4,394	3,458
Deferred tax assets	14	80,886	97,911	64,484	81,509
Other non-current assets		3,970	5,015	3,970	5,015
Total non-current assets		4,808,988	5,104,812	4,049,568	4,264,653
Total assets		6,902,393	7,342,327	5,039,994	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 30 June 2014

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 June 2014</u> (Unaudited but reviewed)	<u>31 December 2013</u> (Audited)	<u>30 June 2014</u> (Unaudited but reviewed)	<u>31 December 2013</u> (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	10	244,137	383,133	196,088	333,504
Short-term loans from related party	2	-	-	488,700	494,241
Other current liabilities	11	61,617	110,154	61,567	109,463
Total current liabilities		305,754	493,287	746,355	937,208
Non-current liabilities					
Provision for long-term employee benefits	12	53,361	50,932	53,361	50,932
Rental deposits		15,210	17,804	15,210	17,804
Total non-current liabilities		68,571	68,736	68,571	68,736
Total liabilities		374,325	562,023	814,926	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		2,374,002	2,501,544	1,186,306	1,316,992
Other components of shareholders' equity		1,121,974	1,249,931	18,362	14,005
Equity attributable to owners of the Company		6,516,376	6,771,875	4,225,068	4,351,397
Non-controlling interests of the subsidiaries		11,692	8,429	-	-
Total shareholders' equity		6,528,068	6,780,304	4,225,068	4,351,397
Total liabilities and shareholders' equity		6,902,393	7,342,327	5,039,994	5,357,341
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2014

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit or loss:				
Revenues				
Revenues from hotel operations	343,461	422,020	343,461	422,020
Other income				
Interest income	14,648	13,102	5,780	4,623
Others	16,937	26,189	4,657	9,861
Total revenues	<u>375,046</u>	<u>461,311</u>	<u>353,898</u>	<u>436,504</u>
Expenses				
Cost of hotel operations	131,251	146,616	131,251	146,616
Selling expenses	21,995	33,618	21,995	33,618
Administrative expenses	131,073	119,859	115,412	115,752
Depreciation and amortisation expenses	118,324	124,722	118,324	124,722
Total expenses	<u>402,643</u>	<u>424,815</u>	<u>386,982</u>	<u>420,708</u>
Profit (loss) before finance cost and tax income	(27,597)	36,496	(33,084)	15,796
Finance cost	13	-	(300)	(30,125)
Profit (loss) before tax income	(27,597)	6,371	(33,384)	(14,329)
Tax income	14	5,456	6,683	3,208
Profit (loss) for the period	<u>(22,141)</u>	<u>8,533</u>	<u>(26,701)</u>	<u>(11,121)</u>
Other comprehensive income:				
Exchange differences on translation of financial statements in foreign currency	20,974	125,740	-	-
Gain (loss) on changes in value of available-for-sale investments	(17,072)	(41,675)	8,169	18,518
Income tax effect	14	(1,634)	(1,634)	(3,704)
Other comprehensive income for the period	<u>2,268</u>	<u>80,361</u>	<u>6,535</u>	<u>14,814</u>
Total comprehensive income for the period	<u>(19,873)</u>	<u>88,894</u>	<u>(20,166)</u>	<u>3,693</u>

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 June 2014

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit (loss) attributable to:				
Equity holders of the Company	(25,410)	8,533	<u>(26,701)</u>	<u>(11,121)</u>
Non-controlling interests of the subsidiaries	<u>3,269</u>	<u>-</u>		
	<u>(22,141)</u>	<u>8,533</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	(23,142)	88,894	<u>(20,166)</u>	<u>3,693</u>
Non-controlling interests of the subsidiaries	<u>3,269</u>	<u>-</u>		
	<u>(19,873)</u>	<u>88,894</u>		
Earnings per share				
Basic earnings per share	15			
Profit (loss) attributable to equity holders of the Company	<u>(0.20)</u>	<u>0.07</u>	<u>(0.21)</u>	<u>(0.09)</u>

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2014

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit or loss:					
Revenues					
Revenues from hotel operations		886,814	1,080,959	886,814	1,080,959
Other income					
Gains on sales of investment in related party	7	-	1,437,863	-	-
Interest income		33,564	18,749	11,775	9,372
Others		17,118	42,282	7,834	17,959
Total revenues		<u>937,496</u>	<u>2,579,853</u>	<u>906,423</u>	<u>1,108,290</u>
Expenses					
Cost of hotel operations		299,904	343,681	299,904	343,681
Selling expenses		57,515	71,311	57,515	71,311
Administrative expenses		260,225	270,146	243,418	261,886
Depreciation and amortisation expenses		230,877	255,008	230,877	255,008
Total expenses		<u>848,521</u>	<u>940,146</u>	<u>831,714</u>	<u>931,886</u>
Profit before share of loss from investments in associates, finance cost and income tax expenses					
Share of loss from investments in associates	5	(793)	-	-	-
Profit before finance cost and income tax expenses		<u>88,182</u>	<u>1,639,707</u>	<u>74,709</u>	<u>176,404</u>
Finance cost	13	-	(14,374)	5,541	(14,374)
Profit before income tax expenses		<u>88,182</u>	<u>1,625,333</u>	<u>80,250</u>	<u>162,030</u>
Income tax expenses	14	(17,461)	(33,313)	(15,936)	(32,136)
Profit for the period		<u>70,721</u>	<u>1,592,020</u>	<u>64,314</u>	<u>129,894</u>
Other comprehensive income:					
Exchange differences on translation of financial statements in foreign currency		1,130	28,666	-	-
Gain (loss) on changes in value of available-for-sale investments		(127,998)	(45,869)	5,446	31,916
Income tax effect	14	(1,089)	(6,383)	(1,089)	(6,383)
Other comprehensive income for the period		<u>(127,957)</u>	<u>(23,586)</u>	<u>4,357</u>	<u>25,533</u>
Total comprehensive income for the period		<u>(57,236)</u>	<u>1,568,434</u>	<u>68,671</u>	<u>155,427</u>

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the six-month period ended 30 June 2014

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit attributable to:				
Equity holders of the Company	67,458	1,592,020	<u>64,314</u>	<u>129,894</u>
Non-controlling interests of the subsidiaries	<u>3,263</u>	<u>-</u>		
	<u>70,721</u>	<u>1,592,020</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	(60,499)	1,568,434	<u>68,671</u>	<u>155,427</u>
Non-controlling interests of the subsidiaries	<u>3,263</u>	<u>-</u>		
	<u>(57,236)</u>	<u>1,568,434</u>		
Earnings per share				
Basic earnings per share	15			
Profit attributable to equity holders of the Company	<u>0.52</u>	<u>12.25</u>	<u>0.49</u>	<u>1.00</u>

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries**Cash flow statement****For the six-month period ended 30 June 2014**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities					
Profit before tax		88,182	1,625,333	80,250	162,030
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation		230,877	255,008	230,877	255,008
Allowance for doubtful accounts (reversal)		(131)	1,242	(131)	1,242
Reduce cost of inventories to net realisable value		133	-	133	-
Reversal of allowance for interest receivables		-	-	(4,013)	(3,440)
Allowance for loss on diminution in value of investment		-	3,862	-	-
Gain on sales of plant and equipments		(27)	(735)	(27)	(735)
Share of loss from investments in associates	5	793	-	-	-
Gains on sales of investment in related party	7	-	(1,437,863)	-	-
Provision for long-term employee benefits		3,248	1,589	3,248	1,589
Unrealised exchange losses (gains)		13,684	(9,161)	(3,802)	4,845
Dividend income		(11,815)	(12,163)	(1,525)	(1,089)
Interest income		(33,564)	(18,749)	(11,775)	(9,372)
Interest expenses		-	7,024	-	7,024
Profit from operating activities before changes in operating assets and liabilities		291,380	415,387	293,235	417,102
Operating assets (increase) decrease					
Trade and other receivables		109,044	64,763	109,247	64,718
Inventories		(3,248)	1,287	(3,248)	1,287
Other current assets		2,191	3,088	2,197	2,706
Other non-current assets		1,045	(1,807)	1,044	(1,807)
Operating liabilities increase (decrease)					
Trade and other payables		(129,265)	(167,809)	(127,685)	(165,983)
Other current liabilities		(50,062)	(3,147)	(47,897)	(2,187)
Provision for long-term employee benefits		(819)	-	(819)	-
Other non-current liabilities		(2,595)	464	(2,595)	464
Cash flows from operating activities		217,671	312,226	223,479	316,300
Cash paid for interest expenses		-	(4,362)	-	(4,358)
Cash paid for corporate income tax		(1,394)	(1,802)	(1,394)	(1,409)
Net cash flows from operating activities		216,277	306,062	222,085	310,533

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from investing activities				
Cash paid for short-term investments - net	(382,401)	(1,633,560)	(360,000)	-
Proceeds from sales of investment in related party	-	1,835,405	-	-
Loans to related parties	(54,081)	(195,768)	(1,768)	-
Cash received from loans to related parties	-	168,383	7,362	-
Cash received from interest income	15,415	8,492	9,772	11,077
Dividend income	11,815	12,163	1,525	1,089
Acquisitions of property, plant and equipment	(38,148)	(63,696)	(38,148)	(63,696)
Proceeds from sales of plant and equipment	29	854	29	854
Net cash flows from (used in) investing activities	(447,371)	132,273	(381,228)	(50,676)
Cash flows from financing activities				
Repayment of long-term loans	-	(130,000)	-	(130,000)
Dividend paid	(195,000)	(97,500)	(195,000)	(97,500)
Net cash flows used in financing activities	(195,000)	(227,500)	(195,000)	(227,500)
Increase in translation adjustments	4,825	40,500	-	-
Net increase (decrease) in cash and cash equivalents	(421,269)	251,335	(354,143)	32,357
Unrealised exchange losses for cash and cash equivalents	162	4,436	-	-
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	1,588,347	905,889	346,309	535,960
	-	-	-	-
Supplemental cash flow information				
Non-cash transactions				
Payable from purchases of property, plant and equipment	5,623	21,012	5,623	21,012

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
				Other components of equity								
				Other comprehensive income								
				Exchange		Surplus on changes in value		Actuarial loss	Total other	Total equity	Equity attributable	
				differences on		of available-for-sale investments		on defined	components of	attributable to	to non-controlling	Total
				translation of		Other		employee	shareholders'	owners of	interests of	shareholders'
				financial		company		benefit plans	equity	the Company	the subsidiaries	equity
Issued and		Retained earnings		statements in		company		company	equity	the Company	the subsidiaries	equity
fully paid-up		Appropriated		foreign currency		company		company	benefit plans	the Company	the subsidiaries	equity
share capital		Share premium		Unappropriated		company		company	benefit plans	the Company	the subsidiaries	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	-	-	-	1,592,020	28,666	25,533	(77,785)	-	(23,586)	1,568,434	-	1,568,434
Dividend paid (Note 17)	-	-	-	(97,500)	-	-	-	-	-	(97,500)	-	(97,500)
Balance as at 30 June 2013	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>2,237,745</u>	<u>787,230</u>	<u>25,707</u>	<u>228,824</u>	<u>-</u>	<u>1,041,761</u>	<u>6,299,906</u>	<u>-</u>	<u>6,299,906</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	-	-	-	67,458	1,130	4,357	(133,444)	-	(127,957)	(60,499)	3,263	(57,236)
Dividend paid (Note 17)	-	-	-	(195,000)	-	-	-	-	-	(195,000)	-	(195,000)
Balance as at 30 June 2014	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>2,374,002</u>	<u>922,007</u>	<u>23,092</u>	<u>181,605</u>	<u>(4,730)</u>	<u>1,121,974</u>	<u>6,516,376</u>	<u>11,692</u>	<u>6,528,068</u>

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2014

(Unit: Thousand Baht)

	Separate financial statements							Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		Other components of equity			
			Appropriated	Unappropriated	Other comprehensive income			
					Surplus on changes in value of available-for-sale investments	Actuarial loss on defined employee benefit plans	Total other components of shareholders' 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	-	-	-	129,894	25,533	-	25,533	155,427
Dividend paid (Note 17)	-	-	-	(97,500)	-	-	-	(97,500)
Balance as at 30 June 2013	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>1,394,164</u>	<u>25,707</u>	<u>-</u>	<u>25,707</u>	<u>4,440,271</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	-	-	-	64,314	4,357	-	4,357	68,671
Dividend paid (Note 17)	-	-	-	(195,000)	-	-	-	(195,000)
Balance as at 30 June 2014	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>1,186,306</u>	<u>23,092</u>	<u>(4,730)</u>	<u>18,362</u>	<u>4,225,068</u>

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

Shangri-La Hotel Public Company Limited and its subsidiaries
Notes to consolidated interim financial statements
For the three-month and six-month periods ended 30 June 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 and its subsidiaries 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 have 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 and its subsidiaries or do not have a significant impact.

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

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

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 periods ended 30 June				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	6	6	-	-	At rates of 0.56 to 2.05 percent per annum
<u>Transactions with related companies</u>					
Revenue from hotel operations	3	3	3	3	Normal business price
Dividend income	2	4	-	-	As announcement
Management fees	12	14	12	14	Contract price
Marketing and promotion fees	4	4	4	4	Contract price
Advertising and reservation fees	4	4	4	4	Contract price
Interest expenses	-	3	-	3	At a rate of LIBOR 1 month plus 2.05 percent per annum

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2014	2013	2014	2013	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Interest income	-	-	2	2	At a rate of LIBOR 1 month plus 2.05 percent per annum
<u>Transactions with associated companies</u>					
Interest income	17	7	-	-	At rates of 0.56 to 2.05 percent per annum
<u>Transactions with related companies</u>					
Revenue from hotel operations	7	7	7	7	Normal business price
Dividend income	2	4	-	-	As announcement
Management fees	30	34	30	34	Contract price
Marketing and promotion fees	9	11	9	11	Contract price
Advertising and reservation fees	8	7	8	7	Contract price
Interest expenses	-	5	-	5	At a rate of LIBOR 1 month plus 2.05 percent per annum

The balances of the accounts between the Company and these related companies as at 30 June 2014 and 31 December 2013 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	(Audited)		(Audited)	
<u>Other receivables - related parties (Note 3)</u>				
Associated company				
Traders Yangon Company Limited	3,901	1,423	3,901	1,423
Related company				
Shangri-La International Hotel Management Limited	3,940	-	3,940	-
Total other receivables - related parties	7,841	1,423	7,841	1,423
<u>Short-term loans to and interest receivables from related parties</u>				
Subsidiaries				
Apizaco Limited	-	-	161,947	165,266
TRR-Kerry Development Company Limited	-	-	59,922	63,935
Total	-	-	221,869	229,201
Less: Allowance for doubtful interest receivables	-	-	(59,922)	(63,935)
Total short-term loans to and interest receivables from related parties - net	-	-	161,947	165,266

(Unaudited but reviewed)

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	
	30 June	31 December	30 June	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	339,705	343,287	-	-
Shangri-La Yangon Company Limited	236,967	239,465	-	-
Traders Square Company Limited	43,989	44,453	-	-
	620,661	627,205	-	-
Interest bearing				
Traders Yangon Company Limited	525,216	526,903	-	-
Shangri-La Yangon Company Limited	597,962	536,851	-	-
Traders Square Company Limited	245,656	247,766	-	-
	1,368,834	1,311,520	-	-
Total	1,989,495	1,938,725	-	-
Less: Allowance for doubtful loans	(609,229)	(615,652)	-	-
Total long-term loans to and interest receivables				
from related parties - net	1,380,266	1,323,073	-	-

The above interest bearing loans carry interest at the rates of 0.56 to 2.05 percent per annum.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
<u>Trade payables - related parties (Note 10)</u>				
Related companies				
	4,612	-	4,612	-
<u>Other payables - related parties (Note 10)</u>				
Related companies				
Shangri-La International Hotel Management Limited	13,932	18,588	13,932	18,588
Shangri-La International Hotel Management BV	5,778	11,840	5,778	11,840
Total other payables - related parties	19,710	30,428	19,710	30,428

(Unaudited but reviewed)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
30 June 2014	31 December 2013	30 June 2014	31 December 2013	
	(Audited)		(Audited)	
<u>Short-term loan from related party</u>				
Subsidiary				
Hasfeild Holdings Pte., Ltd.	-	-	488,700	494,241
	-	-	488,700	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 as at 1 January 2014	Increase during the period	Decrease during the period	Unrealized loss on exchange	Balance as at 30 June 2014
<u>Short-term loans to and interest</u>					
<u>receivables from related parties</u>					
Subsidiaries					
Apizaco Limited	165,266	1,768	(3,348)	(1,739)	161,947
TRR-Kery Development Company Limited	63,935	-	(4,013)	-	59,922
Total short-term loans to and interest receivables from related parties	229,201	1,768	(7,361)	(1,739)	221,869
(Unit: Thousand Baht)					
Consolidated financial statements					
Balance as at 1 January 2014	Increase during the period	Decrease during the period	Unrealized loss on exchange	Balance as at 30 June 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	-	-	(3,582)	339,705
Shangri-La Yangon Company Limited	239,465	-	-	(2,498)	236,967
Traders Square Company Limited	44,453	-	-	(464)	43,989
Interest bearing					
Traders Yangon Company Limited	526,903	3,820	-	(5,507)	525,216
Shangri-La Yangon Company Limited	536,851	66,744	-	(5,633)	597,962
Traders Square Company Limited	247,766	476	-	(2,586)	245,656
Total long-term loans to and interest receivables from related parties	1,938,725	71,040	-	(20,270)	1,989,495

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 30 June 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 party</u>					
Subsidiary					
Hasfeild Holdings Pte.,Ltd.	494,241	-	-	(5,541)	488,700
Total short-term loans from related party	494,241	-	-	(5,541)	488,700

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2014 and 2013, 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 June

	Consolidated financial statements/ Separate financial statements	
	<u>2014</u>	<u>2013</u>
Short-term employee benefits	10,716	9,044
Post-employment benefits	985	785
Total	11,701	9,829

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated financial statements/ Separate financial statements	
	<u>2014</u>	<u>2013</u>
Short-term employee benefits	24,804	19,763
Post-employment benefits	1,982	1,396
Total	26,786	21,159

3. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	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	42,525	163,233	42,525	163,233
120 - 180 days	2,919	402	2,919	402
Over 180 days	2,827	1,983	2,827	1,983
Total	48,271	165,618	48,271	165,618
Less: Allowance for doubtful debts	(908)	(1,039)	(908)	(1,039)
Total trade receivables - unrelated parties, net	47,363	164,579	47,363	164,579
<u>Other receivables</u>				
Other receivables - related parties	7,841	1,423	7,841	1,423
Other receivables - unrelated parties	12,322	7,346	11,860	6,275
Prepaid expenses	9,705	11,605	9,705	11,605
Total other receivables	29,868	20,374	29,406	19,303
Total trade and other receivables - net	77,231	184,953	76,769	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	
	30 June	31 December	30 June	31 December	30 June	31 December
	2014	2013	2014	2013	2014	2013
		(Audited)	(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 subsidiaries					1,303,000	1,303,000

(Unaudited but reviewed)

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

Company's name	Nature of business	Country of incorporation	Paid-up capital		Percentage of shareholding			
			30 June	31 December	30 June	31 December		
			2014	2013	2014	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			
			30 June	31 December	30 June	31 December	30 June	31 December		
			2014	2013	2014	2013	2014	2013		
				(Percent)	(Percent)	(Audited)		(Audited)		
Traders Yangon Company Limited	Hotel	Myanmar	23.53	23.53	28,984	29,290	-	-		
Shangri-La Yangon Company Limited	Serviced apartments	Myanmar	22.22	22.22	17,132	17,313	-	785		
Traders Square Company Limited	Not yet operated	Myanmar	23.56	23.56	684	692	684	692		
Total					46,800	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 six-month periods ended 30 June	
	<u>2014</u>	<u>2013</u>
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 for the six-month periods ended		Profit (loss) for the six-month periods ended	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June		30 June	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Traders Yangon Company Limited	117,209 (USD 3.6 million)	118,504 (USD 3.6 million)	2,736,459	2,717,766	4,422,966	4,455,580	514,570	356,406	25,193	52,155
Shangri-La Yangon Company Limited	63,615 (USD 2.0 million)	64,318 (USD 2.0 million)	4,093,210	3,820,207	4,156,510	3,816,674	122,472	-	(67,005)	-
Traders Square Company Limited	2,905 (USD 0.1 million)	2,937 (USD 0.1 million)	1,319,751	1,275,820	1,316,846	1,272,883	-	-	-	-

6. Investments in available-for-sale security

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	30 June	31 December
	2014	2013
		(Audited)
Cost - Ordinary shares of Post Publishing Public Company Limited	50,107	50,107
Add: Unrealised gain on changes in value of investments	28,865	23,418
Fair value	78,972	73,525

7. Investments in related parties

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June	31 December
	2014	2013
		(Audited)
Cost - Ordinary shares of Shangri-La Asia Limited	354,153	354,153
Add: Unrealised gain on changes in value of investments	177,910	315,049
Fair value	<u>532,063</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 1,835 million). During the first quarter of year 2013, the subsidiary recognised gain on disposal of the investment of Baht 1,438 million as other income in the statement of comprehensive income.

8. Investments in other company - Net

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June	31 December
	2014	2013
		(Audited)
Cost - Ordinary shares of Don Muang Tollway Public Company Limited	213,164	213,164
Less: Allowance for loss on diminution in value of investments	(82,013)	(82,013)
Investments in other company, net	<u>131,151</u>	<u>131,151</u>

9. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 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	25,867	25,867
Disposals/write-off during the period - net book value at disposal/write-off date	(2)	(2)
Depreciation for the period	(229,263)	(229,263)
Net book value as at 30 June 2014	<u>2,596,602</u>	<u>2,594,748</u>

(Unaudited but reviewed)

10. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
Trade payables - related parties	4,612	-	4,612	-
Trade payables - unrelated parties	66,558	120,470	66,558	120,470
Other payables - related parties	19,710	30,428	19,710	30,428
Other payables - unrelated parties	12,481	18,070	12,481	16,959
Interest payables to minority shareholders of subsidiary	45,067	48,054	-	-
Construction payables	5,623	15,353	5,623	15,353
Retention payables	7,030	9,465	7,030	9,465
Accrued expenses	75,834	138,018	74,543	137,554
Others	7,222	3,275	5,531	3,275
Total trade and other payables	244,137	383,133	196,088	333,504

11. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2014	2013	2014	2013
		(Audited)		(Audited)
Advances from customers	46,076	87,418	46,076	87,418
Others	15,541	22,736	15,491	22,045
Total other current liabilities	61,617	110,154	61,567	109,463

12. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits account during the six-month period ended 30 June 2014 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements/ Separate financial statements
	<hr/>
Balance as at 1 January 2014	50,932
Current service cost	2,390
Interest cost	858
Benefits paid during the period	(819)
Balance as at 30 June 2014	<hr/> <hr/> 53,361

13. Finance cost

Finance cost for the three-month and six-month periods ended 30 June 2014 and 2013 are summarised below:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Interest expenses	-	2,827	-	2,827
Realised/unrealised loss on exchange rate on short-term loan from related parties	-	27,298	300	27,298
Total	<hr/> -	<hr/> 30,125	<hr/> 300	<hr/> 30,125

	(Unit: Thousand Baht)			
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Interest expenses	-	7,024	-	7,024
Realised/unrealised loss (gain) on exchange rate on short-term loan from related parties	-	7,350	(5,541)	7,350
Total	<hr/> -	<hr/> 14,374	<hr/> (5,541)	<hr/> 14,374

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 income (expenses) for the three-month and six-month periods ended 30 June 2014 and 2013 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current income tax:				
Interim corporate income tax charge	(1,227)	(1,046)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	6,683	3,208	6,683	3,208
Tax income reported in the statements of comprehensive income	<u>5,456</u>	<u>2,162</u>	<u>6,683</u>	<u>3,208</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current income tax:				
Interim corporate income tax charge	(1,525)	(1,177)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(15,936)	(32,136)	(15,936)	(32,136)
Income tax expenses reported in the statements of comprehensive income	<u>(17,461)</u>	<u>(33,313)</u>	<u>(15,936)</u>	<u>(32,136)</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2014 and 2013 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	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	(1,634)	(3,704)	(1,634)	(3,704)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	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	(1,089)	(6,383)	(1,089)	(6,383)

15. Earnings per share

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

For the three-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit (loss) for the period (Thousand Baht)	(25,410)	8,533	(26,701)	(11,121)
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Earnings (loss) per share (Baht per share)	(0.20)	0.07	(0.21)	(0.09)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit for the period (Thousand Baht)	67,458	1,592,020	64,314	129,894
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Earnings per share (Baht per share)	0.52	12.25	0.49	1.00

(Unaudited but reviewed)

16. Segment information

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

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and six-month periods ended 30 June 2014 and 2013, respectively.

(Unit: Million Baht)

	For the three-month periods ended 30 June											
	Hotel business				Holding		Total segments		Adjustments and		Consolidated	
	Hotel in Bangkok		Hotel in Chiangmai		Investment				eliminations			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues												
External customers	258	354	85	68	-	-	343	422	-	-	343	422
Total revenues	258	354	85	68	-	-	343	422	-	-	343	422
Operating results												
Segment profit	157	231	55	44	-	-	212	275	-	-	212	275
Interest income	6	4	-	-	11	10	17	14	(2)	(1)	15	13
Other income	5	9	-	1	10	15	15	25	2	1	17	26
Depreciation and amortisation expenses	(92)	(99)	(26)	(26)	-	-	(118)	(125)	-	-	(118)	(125)
Non-controlling interest of the subsidiaries	-	-	-	-	3	-	3	-	-	-	3	-
Profit (loss) before tax income	(25)	(1)	(8)	(13)	3	24	(30)	10	(1)	(3)	(31)	7
Tax income	7	3	-	-	(1)	(1)	6	2	-	-	6	2
Profit (loss) for the period	(18)	2	(8)	(13)	2	23	(24)	12	(1)	(3)	(25)	9

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Hotel business											
	Hotel in Bangkok		Hotel in Chiangmai		Holding Investment		Total segments		Adjustments and eliminations		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenues												
External customers	684	913	203	168	-	-	887	1,081	-	-	887	1,081
Total revenues	684	913	203	168	-	-	887	1,081	-	-	887	1,081
Operating results												
Segment profit	449	625	138	113	-	-	587	738	-	-	587	738
Interest income	12	9	-	-	24	12	36	21	(3)	(2)	33	19
Other income	7	17	1	1	10	1,462	18	1,480	(1)	-	17	1,480
Depreciation and amortisation expenses	(179)	(197)	(52)	(58)	-	-	(231)	(255)	-	-	(231)	(255)
Share of loss from investments in associates	-	-	-	-	(1)	-	(1)	-	-	-	(1)	-
Non-controlling interest of the subsidiaries	-	-	-	-	3	-	3	-	-	-	3	-
Profit before income tax expense	75	177	5	(15)	8	1,466	88	1,628	(3)	(3)	85	1,625
Income tax expense	(16)	(32)	-	-	(2)	(1)	(18)	(33)	-	-	(18)	(33)
Profit for the period	59	145	5	(15)	6	1,465	70	1,595	(3)	(3)	67	1,592

The following table presents segment assets of the Company and its subsidiaries' operating segments as at 30 June 2014 and 31 December 2013:

(Unit: Million Baht)

	Hotel business					
	Hotel in Bangkok	Hotel in Chiangmai	Holding Investment	Total segments	Adjustments and eliminations	Consolidated
Segment assets						
As at 30 June 2014	3,998	1,042	4,456	9,496	(2,594)	6,902
As at 31 December 2013	4,253	1,104	5,934	11,291	(3,949)	7,342

17. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2012	Annual General Meeting of the shareholders on 24 April 2013	98	0.75
Total for 2013		98	0.75
Final dividends for 2013	Annual General Meeting of the shareholders on 23 April 2014	195	1.50
Total for 2014		195	1.50

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

As at 30 June 2014, the Company had capital commitments of approximately Baht 24 million (31 December 2013: Baht 32 million), relating to the construction and renovation of the building of the Hotel in Bangkok.

18.2 Guarantee

- (1) As at 30 June 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.

19. Foreign currency risk

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries as at 30 June 2014 and 31 December 2013 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 June	31 December	30 June	31 December	30 June	31 December
	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		
USD	42	41	-	-	33.4550	32.8136

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 June	31 December	30 June	31 December	30 June	31 December
	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		
USD	5	5	15	15	33.4550	32.8136

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 August 2014.