

SHANGRI-LA GROUP

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Shangri-La Asia Limited

(Incorporated in Bermuda with limited liability)

website: www.ir.shangri-la.com

(Stock code: 00069)

OVERSEAS REGULATORY ANNOUNCEMENT

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

Hong Kong, 9 August 2021

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

Executive director(s)

Ms KUOK Hui Kwong (Chairman)

Mr LIM Beng Chee (Group CEO)

Independent non-executive director(s)

Professor LI Kwok Cheung Arthur

Mr YAP Chee Keong

Mr LI Xiaodong Forrest

Mr ZHUANG Chenchao

Ms KHOO Shulamite N K

Shangri-La Hotel Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2021

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 2021, and the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated statement of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Shangri-La Hotel Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

I draw attention to Note 1.1 to the consolidated financial statements. The Coronavirus disease 2019 pandemic affects the Group's hotel business due to the restriction on entry into the country of foreign tourists, reducing in purchasing power, including the government measures to prevent and control the spread of the Coronavirus disease 2019 pandemic, and this is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

My conclusion is not modified in respect of these matters.

Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

EY Office Limited
Bangkok: 9 August 2021

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	30 June 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
Assets					
Current assets					
Cash and cash equivalents		1,308,156	1,162,613	49,954	59,731
Fixed deposits with financial institutions		1,023,600	1,152,600	1,001,000	1,130,000
Trade and other receivables	3, 4	5,633	17,979	5,107	17,781
Inventories		22,663	24,835	22,663	24,835
Other current assets		20,905	21,999	20,901	21,985
Total current assets		2,380,957	2,380,026	1,099,625	1,254,332
Non-current assets					
Other non-current financial assets	7	532,383	412,351	-	-
Investments in subsidiaries	5	-	-	1,303,000	1,303,000
Investments in associates	6	-	-	-	-
Long-term loans to and interest receivables					
from related parties	3, 6	1,238,710	1,157,478	-	-
Property, plant and equipment	8	3,506,673	3,600,867	3,504,819	3,599,013
Intangible assets		1,854	3,211	1,854	3,211
Deferred tax assets		130,774	120,445	130,774	104,043
Other non-current assets		3,892	4,295	3,892	4,295
Total non-current assets		5,414,286	5,298,647	4,944,339	5,013,562
Total assets		7,795,243	7,678,673	6,043,964	6,267,894

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 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	30 June 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3, 9	74,083	97,713	72,685	95,784
Short-term loans from related party	3	-	-	483,329	453,102
Income tax payable		5,998	2,111	-	-
Other current liabilities	10	86,478	89,096	86,474	89,096
Total current liabilities		166,559	188,920	642,488	637,982
Non-current liabilities					
Provision for long-term employee benefits	11	82,364	79,587	82,364	79,587
Deferred tax liabilities		13,783	7,571	-	-
Other non-current liabilities		20,098	21,589	20,098	21,589
Total non-current liabilities		116,245	108,747	102,462	101,176
Total liabilities		282,804	297,667	744,950	739,158
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		3,667,778	3,842,243	2,278,614	2,508,336
Other components of shareholders' equity		701,183	456,002	-	-
Equity attributable to owners of the Company		7,389,361	7,318,645	5,299,014	5,528,736
Non-controlling interests of the subsidiary		123,078	62,361	-	-
Total shareholders' equity		7,512,439	7,381,006	5,299,014	5,528,736
Total liabilities and shareholders' equity		7,795,243	7,678,673	6,043,964	6,267,894

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 2021**

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

	Consolidated financial statements		Separate financial statements		
	<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit or loss:					
Revenues					
Revenues from hotel operations		51,646	24,425	51,646	24,425
Other income		14,111	1,602	3,454	1,602
Total revenues		65,757	26,027	55,100	26,027
Expenses					
Cost of hotel operations		53,130	69,886	53,130	69,886
Selling expenses		11,165	19,813	11,165	19,813
Administrative expenses		53,809	72,499	53,314	72,198
Depreciation and amortisation expenses		51,369	55,450	51,369	55,450
Exchange losses		11,613	5,929	-	-
Total expenses		181,086	223,577	168,978	217,347
Loss from operating activities		(115,329)	(197,550)	(113,878)	(191,320)
Share of losses from investments in associates		(3,520)	-	-	-
Finance income	12	7,849	16,666	1,696	31,687
Finance cost	12	-	(46)	(10,751)	(46)
Loss before income tax		(111,000)	(180,930)	(122,933)	(159,679)
Income tax benefits	13	3,602	24,247	-	32,011
Loss for the period		(107,398)	(156,683)	(122,933)	(127,668)
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		74,608	(160,942)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		74,608	(160,942)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Gain on investments in equity designated at fair value through other comprehensive income - net of income tax		119,730	64,322	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		119,730	64,322	-	-
Total other comprehensive income for the period		194,338	(96,620)	-	-
Total comprehensive income for the period		86,940	(253,303)	(122,933)	(127,668)

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 2021

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit (loss) attributable to:				
Equity holders of the Company	(113,427)	(156,687)	<u>(122,933)</u>	<u>(127,668)</u>
Non-controlling interests of the subsidiary	<u>6,029</u>	<u>4</u>		
	<u>(107,398)</u>	<u>(156,683)</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	26,217	(253,307)	<u>(122,933)</u>	<u>(127,668)</u>
Non-controlling interests of the subsidiary	<u>60,723</u>	<u>4</u>		
	<u>86,940</u>	<u>(253,303)</u>		
Earnings per share				
Basic earnings (loss) per share	14			
Loss attributable to equity holders of the Company	<u>(0.87)</u>	<u>(1.21)</u>	<u>(0.95)</u>	<u>(0.98)</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 2021

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

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Revenues from hotel operations		126,609	449,434	126,609	449,434
Exchange gains		-	38,964	-	-
Other income		14,802	4,947	4,145	4,947
Total revenues		<u>141,411</u>	<u>493,345</u>	<u>130,754</u>	<u>454,381</u>
Expenses					
Cost of hotel operations		113,121	212,683	113,121	212,683
Selling expenses		25,153	53,577	25,153	53,577
Administrative expenses		119,922	194,146	119,156	193,551
Depreciation and amortisation expenses		103,077	112,658	103,077	112,658
Exchange losses		10,230	-	-	-
Total expenses		<u>371,503</u>	<u>573,064</u>	<u>360,507</u>	<u>572,469</u>
Loss from operating activities		<u>(230,092)</u>	<u>(79,719)</u>	<u>(229,753)</u>	<u>(118,088)</u>
Share of losses from investments in associates	3	(6,969)	-	-	-
Finance income	12	15,408	36,914	3,527	12,216
Finance cost	12	-	(146)	(30,227)	(11,163)
Loss before income tax		<u>(221,653)</u>	<u>(42,951)</u>	<u>(256,453)</u>	<u>(117,035)</u>
Income tax benefits	13	30,230	15,369	26,731	23,544
Loss for the period		<u>(191,423)</u>	<u>(27,582)</u>	<u>(229,722)</u>	<u>(93,491)</u>
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		168,458	21,803	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		168,458	21,803	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Gain (loss) on investments in equity designated at fair value through other comprehensive income - net of income tax		154,398	(63,025)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		154,398	(63,025)	-	-
Total other comprehensive income for the period		<u>322,856</u>	<u>(41,222)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>131,433</u>	<u>(68,804)</u>	<u>(229,722)</u>	<u>(93,491)</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 2021

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit (loss) attributable to:				
Equity holders of the Company	(197,446)	(27,582)	<u>(229,722)</u>	<u>(93,491)</u>
Non-controlling interests of the subsidiary	<u>6,023</u>	<u>-</u>		
	<u>(191,423)</u>	<u>(27,582)</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	70,716	(68,804)	<u>(229,722)</u>	<u>(93,491)</u>
Non-controlling interests of the subsidiary	<u>60,717</u>	<u>-</u>		
	<u>131,433</u>	<u>(68,804)</u>		
Earnings per share				
Basic earnings (loss) per share	14			
Loss attributable to equity holders of the Company	<u>(1.52)</u>	<u>(0.21)</u>	<u>(1.77)</u>	<u>(0.72)</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 2021**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Loss before tax	(221,653)	(42,951)	(256,453)	(117,035)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	103,077	112,658	103,077	112,658
Allowance for expected credit loss of trade receivables (reversal)	(207)	3,867	(207)	3,867
Share of losses from investments in associates	6,969	-	-	-
Gain on disposals/write-off of machinery and equipment	(27)	(805)	(27)	(805)
Provision for long-term employee benefits	3,864	4,463	3,864	4,463
Dividend income	(10,658)	-	-	-
Unrealised loss on exchange	-	-	30,227	11,017
Interest income	(15,408)	(36,914)	(3,527)	(12,216)
Interest expenses	-	146	-	146
Profit (loss) from operating activities before changes in operating assets and liabilities	(134,043)	40,464	(123,046)	2,095
Operating assets (increase) decrease				
Trade and other receivables	12,739	109,032	12,739	109,032
Inventories	2,172	(1,004)	2,172	(1,004)
Other current assets	2,222	(3,326)	2,212	(3,337)
Other non-current assets	403	3,416	403	3,416
Operating liabilities increase (decrease)				
Trade and other payables	(24,939)	(150,171)	(24,408)	(150,603)
Other current liabilities	(2,618)	(74,381)	(2,622)	(74,382)
Provision for long-term employee benefits	(1,087)	(1,998)	(1,087)	(1,998)
Other non-current liabilities	(1,491)	(2,392)	(1,491)	(2,392)
Cash flows used in operating activities	(146,642)	(80,360)	(135,128)	(119,173)
Cash paid for corporate income tax	(3,575)	(85,282)	(1,128)	(85,224)
Net cash flows used in operating activities	(150,217)	(165,642)	(136,256)	(204,397)

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 2021

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from investing activities				
Decrease in fixed deposits with financial institutions	129,000	860,248	129,000	855,000
Cash received from interest income	4,853	24,271	3,669	15,256
Dividend income	10,658	-	-	-
Proceeds from sales of other non-current financial assets	87,778	-	-	-
Acquisitions of property, plant and equipment	(6,223)	(179,381)	(6,223)	(179,381)
Acquisitions of intangible assets	-	(145)	-	(145)
Proceeds from disposals of machinery and equipment	33	883	33	883
Net cash flows from investing activities	<u>226,099</u>	<u>705,876</u>	<u>126,479</u>	<u>691,613</u>
Cash flows from financing activities				
Cash paid for lease liability	-	(2,924)	-	(2,924)
Dividend paid	-	(292,500)	-	(292,500)
Net cash flows used in financing activities	<u>-</u>	<u>(295,424)</u>	<u>-</u>	<u>(295,424)</u>
Increase (decrease) in translation adjustments	<u>69,661</u>	<u>(41,428)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>145,543</u>	<u>203,382</u>	<u>(9,777)</u>	<u>191,792</u>
Cash and cash equivalents at beginning of period	<u>1,162,613</u>	<u>1,402,753</u>	<u>59,731</u>	<u>329,604</u>
Cash and cash equivalents at end of period	<u>1,308,156</u>	<u>1,606,135</u>	<u>49,954</u>	<u>521,396</u>

Supplemental cash flows information

Non-cash item

Purchase of plant and equipment for which no cash
has been paid

1,309	-	1,309	-
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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 2021

(Unit: Thousand Baht)

Consolidated financial statements										
Equity attributable to owners of the Company										
				Other components of shareholders' equity						
				Other comprehensive income						
				Exchange differences on translation of financial statements in foreign currency						
				Fair value reserve - net of income tax						
				Total other components of shareholders' equity						
				Total equity attributable to owners of the Company						
				Equity attributable to non-controlling interests of the subsidiary						
				Total shareholders' equity						
Issued and fully paid-up share capital	Share premium	Retained earnings		foreign currency	reserve - net of income tax	equity	the Company	the subsidiary	equity	
		Appropriated	Unappropriated							
Balance as at 1 January 2020	1,300,000	1,590,400	130,000	5,117,857	435,086	6,914	442,000	8,580,257	61,138	8,641,395
Profit or loss for the period	-	-	-	(27,582)	-	-	-	(27,582)	-	(27,582)
Other comprehensive income for the period	-	-	-	-	21,803	(63,025)	(41,222)	(41,222)	-	(41,222)
Total comprehensive income for the period	-	-	-	(27,582)	21,803	(63,025)	(41,222)	(68,804)	-	(68,804)
Dividend paid (Note 16)	-	-	-	(292,500)	-	-	-	(292,500)	-	(292,500)
Balance as at 30 June 2020	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>4,797,775</u>	<u>456,889</u>	<u>(56,111)</u>	<u>400,778</u>	<u>8,218,953</u>	<u>61,138</u>	<u>8,280,091</u>
Balance as at 1 January 2021	1,300,000	1,590,400	130,000	3,842,243	499,138	(43,136)	456,002	7,318,645	62,361	7,381,006
Profit or loss for the period	-	-	-	(197,446)	-	-	-	(197,446)	6,023	(191,423)
Other comprehensive income for the period	-	-	-	-	168,458	99,704	268,162	268,162	54,694	322,856
Total comprehensive income for the period	-	-	-	(197,446)	168,458	99,704	268,162	70,716	60,717	131,433
Transfer gain on changes in fair value of equity instruments sold to retained earnings	-	-	-	22,981	-	(22,981)	(22,981)	-	-	-
Balance as at 30 June 2021	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>3,667,778</u>	<u>667,596</u>	<u>33,587</u>	<u>701,183</u>	<u>7,389,361</u>	<u>123,078</u>	<u>7,512,439</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 2021

(Unit: Thousand Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		
			Appropriated	Unappropriated	
Balance as at 1 January 2020	1,300,000	1,590,400	130,000	3,096,294	6,116,694
Total comprehensive income for the period	-	-	-	(93,491)	(93,491)
Dividend paid (Note 16)	-	-	-	(292,500)	(292,500)
Balance as at 30 June 2020	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>2,710,303</u>	<u>5,730,703</u>
Balance as at 1 January 2021	1,300,000	1,590,400	130,000	2,508,336	5,528,736
Total comprehensive income for the period	-	-	-	(229,722)	(229,722)
Balance as at 30 June 2021	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>2,278,614</u>	<u>5,299,014</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 2021

1. General information

1.1 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic affects the Group's hotel business due to the restriction on entry into the country of foreign tourists, reducing in purchasing power, including the government measures to prevent and control the spread of the Coronavirus disease 2019 pandemic, and this is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

1.2 Basis for the preparation of interim financial statements

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

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

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

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Shangri-La Hotel Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2020. There have been no changes in the composition of the Group during the current period.

1.4 New financial reporting standards

a) Financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

2. Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2020.

3. Related party transactions

During the periods, the Group 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		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<u>Transactions with associated companies</u>					
Interest income	5	8	-	-	USD LIBOR and 0.92 to 2.05 percent per annum
<u>Transactions with related companies</u>					
Revenues from hotel operations	9	10	9	10	Normal business price
Management fees	4	3	4	3	Contract price
Marketing and promotion fees	-	1	-	1	Contract price
Advertising and reservation fees	2	3	2	3	Contract price

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<u>Transactions with associated companies</u>					
Interest income	10	16	-	-	USD LIBOR and 0.92 to 2.05 percent per annum
<u>Transactions with related companies</u>					
Revenues from hotel operations	19	21	19	21	Normal business price
Management fees	8	17	8	17	Contract price
Marketing and promotion fees	1	5	1	5	Contract price
Advertising and reservation fees	4	7	4	7	Contract price
Training fees	1	-	1	-	Contract price

(Unaudited but reviewed)

The balances of the accounts between the Company and these related companies as at 30 June 2021 and 31 December 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
<u>Trade receivables - related parties (Note 4)</u>				
Related companies				
Others	624	855	624	855
Total trade receivables - related parties	624	855	624	855
<u>Other receivables - related parties (Note 4)</u>				
Associated company				
Traders Yangon Company Limited	39	55	39	55
Related companies				
Others	654	1,330	654	1,330
Total other receivables - related parties	693	1,385	693	1,385
<u>Long-term loans to and interest receivables from related parties</u>				
Associated companies				
Non-interest bearing				
Traders Square Company Limited	43,449	40,716	-	-
	43,449	40,716	-	-
Interest bearing				
Traders Yangon Company Limited	521,639	488,827	-	-
Shangri-La Yangon Company Limited	765,529	711,915	-	-
Traders Square Company Limited	793,113	738,576	-	-
	2,080,281	1,939,318	-	-
Total	2,123,730	1,980,034	-	-
Less: Allowance for impairment losses on financial assets	(653,985)	(612,848)	-	-
Total	1,469,745	1,367,186	-	-
Less: Cumulative share of losses from investments in associates (Note 6)	(231,035)	(209,708)	-	-
Total long-term loans to and interest receivables from related parties - net	1,238,710	1,157,478	-	-

The interest-bearing portions of the loans carry interest at rates of USD LIBOR and 0.92 to 2.05 percent per annum. The loans are unsecured and repayable on demand. The Group deemed these long-term loans that, in substance, form part of the interests in associates (Note 6 to the financial statements).

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
	(Audited)		(Audited)	
<u>Other payables - related parties (Note 9)</u>				
Related companies				
Shangri-La International Hotel Management Pte., Ltd.	30,787	22,897	30,698	22,897
Shangri-La International Hotel Management Limited	2,739	2,991	2,739	2,991
Others	223	975	-	5
Total other payables - related parties	<u>33,749</u>	<u>26,863</u>	<u>33,437</u>	<u>25,893</u>

Short-term loans from related party**Subsidiary**

Hasfield Holdings Pte., Ltd.	-	-	483,329	453,102
Total short-term loans from related party	<u>-</u>	<u>-</u>	<u>483,329</u>	<u>453,102</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 loan from related party were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				Balance as at 30 June 2021
	Balance as at 1 January 2021	Increase during the period	Decrease during the period	Translation adjustment	
<u>Long-term loans to and interest</u>					
<u>receivables from related parties</u>					
Associated companies					
Non-interest bearing					
Traders Square Company Limited	40,716	-	-	2,733	43,449
Interest bearing					
Traders Yangon Company Limited	488,827	-	-	32,812	521,639
Shangri-La Yangon Company Limited	711,915	5,601	-	48,013	765,529
Traders Square Company Limited	738,576	4,768	-	49,769	793,113
Total	<u>1,980,034</u>	<u>10,369</u>	<u>-</u>	<u>133,327</u>	<u>2,123,730</u>
Less: Allowance for impairment losses on financial assets	<u>(612,848)</u>	<u>-</u>	<u>-</u>	<u>(41,137)</u>	<u>(653,985)</u>
Total	<u>1,367,186</u>	<u>10,369</u>	<u>-</u>	<u>92,190</u>	<u>1,469,745</u>
Less: Cumulative share of losses from investments in associates (Note 6)	<u>(209,708)</u>	<u>(6,969)</u>	<u>-</u>	<u>(14,358)</u>	<u>(231,035)</u>
Total long-term loans to and interest receivables from related parties - net	<u>1,157,478</u>	<u>3,400</u>	<u>-</u>	<u>77,832</u>	<u>1,238,710</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				
	Balance				
	as at	Increase	Decrease	Balance	
	1 January	during	during	Loss on	as at
2021	the period	the period	exchange	30 June 2021	
<u>Short-term loans from related party</u>					
Subsidiary					
Hasfield Holdings Pte., Ltd.	453,102	-	-	30,227	483,329
Total short-term loans from related party	453,102	-	-	30,227	483,329

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2021 and 2020, the Group had employee benefit expenses to their directors and management as detailed below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June	
	Consolidated / Separate	
	financial statements	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	8,929	11,771
Post-employment benefits	598	796
Total	9,527	12,567

(Unit: Thousand Baht)

	For the six-month periods ended 30 June	
	Consolidated / Separate	
	financial statements	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	17,759	24,944
Post-employment benefits	1,271	1,646
Total	19,030	26,590

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 17.3 to the financial statements.

(Unaudited but reviewed)

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
<u>Trade receivables - related parties (Note 3)</u>				
Age on the basis of invoice date				
Less than 120 days	624	855	624	855
Total trade receivables - related parties	624	855	624	855
<u>Trade receivables - unrelated parties</u>				
Age on the basis of invoice date				
Less than 120 days	1,685	11,757	1,685	11,757
120 - 180 days	21	27	21	27
Over 180 days	4,245	4,337	4,245	4,337
Total	5,951	16,121	5,951	16,121
Less: Allowance for expected credit losses	(4,110)	(4,317)	(4,110)	(4,317)
Total trade receivables - unrelated parties, net	1,841	11,804	1,841	11,804
Total trade receivables, net	2,465	12,659	2,465	12,659
<u>Other receivables</u>				
Other receivables - related parties (Note 3)	693	1,385	693	1,385
Other receivables - unrelated parties	207	1,853	207	1,853
Interest receivables	2,268	2,082	1,742	1,884
Total other receivables	3,168	5,320	2,642	5,122
Total trade and other receivables - net	5,633	17,979	5,107	17,781

5. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	30 June	31 December	30 June	31 December	30 June	31 December
	2021	2020	2021	2020	2021	2020
			(Percent)	(Percent)		(Audited)
Town Development	Baht 1,303	Baht 1,303	100	100		
Company Limited	million	million			1,303,000	1,303,000
Total investments in subsidiaries					1,303,000	1,303,000

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

Company's name	Nature of business	Country of incorporation	Paid-up capital		Percentage of shareholding			
			30 June	31 December	30 June	31 December		
			2021	2020	2021	2020		
				(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.	Dormant	Singapore	SGD 34 million	SGD 34 million	100.00	100.00		
Traders Hotel and Resort Limited	Dormant	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								
			Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method		
			30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	
				2021	2020	2021	2020	2021	2020	2021	2020
				(Percent)		(Percent)		(Audited)		(Audited)	
<u>Associated companies (owned by Zukerman Limited)</u>											
Traders Yangon Company Limited	Hotel	Myanmar	USD 3.6 million	USD 3.6 million	23.53	23.53	28,658	26,856	-	-	
Shangri-La Yangon Company Limited	Serviced apartments	Myanmar	USD 2.0 million	USD 2.0 million	22.22	22.22	16,947	15,881	-	-	
Traders Square Company Limited	Commercial complex and office for rent	Myanmar	USD 0.1 million	USD 0.1 million	23.56	23.56	676	633	-	-	
Total							46,281	43,370	-	-	

6.2 Summarised financial information of associates

The financial information of these associated companies for three-month and six-month periods ended 30 June 2021 and 2020, and for the year ended 31 December 2020, 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 audited by auditors.

Financial information of the associated companies is summarised below.

(Unit: Thousand Baht)

	Statements of financial position					
	Traders Yangon		Shangri-La Yangon		Traders Square	
	Company Limited		Company Limited		Company Limited	
	30 June	31 December	30 June	31 December	30 June	31 December
	2021	2020	2021	2020	2021	2020
Total assets	1,219,481	1,194,614	3,258,175	3,095,094	3,622,555	3,398,990
Total liabilities	(3,487,632)	(3,221,797)	(3,766,033)	(3,582,035)	(4,199,005)	(3,899,939)
Net assets (liabilities)	(2,268,151)	(2,027,183)	(507,858)	(486,941)	(576,450)	(500,949)

(Unit: Thousand Baht)

	For the three-month periods ended 30 June					
	Traders Yangon		Shangri-La Yangon		Traders Square	
	Company Limited		Company Limited		Company Limited	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Total revenue	1,163	12,887	74,449	97,426	67,459	81,960
Profit (loss)	(48,464)	(65,664)	9,410	13,886	(23,816)	(15,121)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June					
	Traders Yangon		Shangri-La Yangon		Traders Square	
	Company Limited		Company Limited		Company Limited	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Total revenue	6,817	108,269	151,719	198,712	139,985	171,170
Profit (loss)	(100,814)	(98,552)	11,309	28,684	(40,246)	(53,851)

6.3 The reconciliation of interests in associates

Since 2020, the Group's management decided to change the objective of the long-term loans to these three associated companies. Given the situation with the Coronavirus disease 2019 pandemic, no plans have been set for collection of these long-term loans for the foreseeable future and the long-term loans were, therefore, deemed in substance to form part of the interests in associates.

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	As at 30 June 2021			
	Traders Yangon Company Limited	Shangri-La Yangon Company Limited	Traders Square Company Limited	Total
<u>Interests in associates</u>				
Net assets (liabilities) of associates	(2,268,151)	(507,858)	(576,450)	(3,352,459)
Shareholding percentage (Percent)	23.53	22.22	23.56	
The Group's interests in associates	(533,696)	(112,846)	(135,812)	(782,354)
<u>Investments in associates</u>				
Ordinary shares, at cost	28,658	16,947	676	46,281
Less: Cumulative share of losses from investments in associates	(28,658)	(16,947)	(676)	(46,281)
Total	-	-	-	-
<u>Long-term loans to and interest receivables from related parties (Note 3)</u>				
Long-term loans to and interest receivables from related parties	521,639	765,529	836,562	2,123,730
Less: Impairment losses on financial assets	(521,639)	-	(132,346)	(653,985)
Total - net	-	765,529	704,216	1,469,745
Less: Cumulative share of losses from investments in associates	-	(95,899)	(135,136)	(231,035)
Total long-term loans to and interest receivables from related parties - net	-	669,630	569,080	1,238,710
Unrecognised cumulative share of losses from investments in associates	(505,038)	-	-	(505,038)

(Unaudited but reviewed)

8. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2021	3,600,867	3,599,013
Acquisitions during the period - at cost	7,532	7,532
Disposals/Write-off during the period - net book value at disposals/write-off date	(6)	(6)
Depreciation for the period	(101,720)	(101,720)
Net book value as at 30 June 2021	3,506,673	3,504,819

9. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
Trade payables - unrelated parties	8,760	26,351	8,760	26,351
Other payables - related parties (Note 3)	33,749	26,863	33,437	25,893
Other payables - unrelated parties	3,835	6,736	3,795	6,713
Payables for purchase of assets	3,696	2,387	3,696	2,387
Retention payables	3,204	5,267	3,204	5,267
Accrued expenses	20,839	30,109	19,793	29,173
Total trade and other payables	74,083	97,713	72,685	95,784

10. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
Advances from customers	68,208	67,907	68,208	67,907
Others	18,270	21,189	18,266	21,189
Total other current liabilities	86,478	89,096	86,474	89,096

11. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits account during the six-month period ended 30 June 2021 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements/ Separate financial statements
	<hr/>
Balance as at 1 January 2021	79,587
Current service cost	2,931
Interest cost	933
Benefits paid during the period	(1,087)
Balance as at 30 June 2021	<hr/> <hr/> 82,364

12. Finance income/Finance cost

Finance income/Finance cost for the three-month and six-month periods ended 30 June 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finance income				
Interest income	7,849	16,666	1,696	5,257
Unrealised gain on exchange rate of short-term loan from related party	-	-	-	26,430
Total	<hr/> <hr/> 7,849	<hr/> <hr/> 16,666	<hr/> <hr/> 1,696	<hr/> <hr/> 31,687
Finance cost				
Unrealised loss on exchange rate of short-term loan from related party	-	-	(10,751)	-
Interest expenses on lease liabilities	-	(46)	-	(46)
Total	<hr/> <hr/> -	<hr/> <hr/> (46)	<hr/> <hr/> (10,751)	<hr/> <hr/> (46)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finance income				
Interest income	15,408	36,914	3,527	12,216
Total	15,408	36,914	3,527	12,216
Finance cost				
Unrealised loss on exchange rate of short-term loan from related party (Note 3)	-	-	(30,227)	(11,017)
Interest expenses on lease liabilities	-	(146)	-	(146)
Total	-	(146)	(30,227)	(11,163)

13. Income tax

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

Income tax for the three-month and six-month periods ended 30 June 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Interim corporate income tax charge	6,332	(8,035)	-	(8,278)
Deferred tax:				
Relating to origination and reversal of temporary differences	(9,934)	(16,212)	-	(23,733)
Income tax benefits reported in the statements of comprehensive income	(3,602)	(24,247)	-	(32,011)

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current income tax:				
Interim corporate income tax charge	6,334	654	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(36,564)	(16,023)	(26,731)	(23,544)
Income tax benefits reported in the statements of comprehensive income	<u>(30,230)</u>	<u>(15,369)</u>	<u>(26,731)</u>	<u>(23,544)</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 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax relating to gain on changes in value of investment in equity instruments designated at FVOCI	32,045	-	32,045	-
	<u>32,045</u>	<u>-</u>	<u>32,045</u>	<u>-</u>

14. 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Loss for the period (Thousand Baht)	(113,427)	(156,687)	(122,933)	(127,668)
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Loss per share (Baht per share)	(0.87)	(1.21)	(0.95)	(0.98)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Loss for the period (Thousand Baht)	(197,446)	(27,582)	(229,722)	(93,491)
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Loss per share (Baht per share)	(1.52)	(0.21)	(1.77)	(0.72)

15. Segment information

The Group is organised into business units based on its services. During the current period, the Group have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Group's operating segments for the three-month and six-month periods ended 30 June 2021 and 2020.

(Unit: Million Baht)

	For the three-month periods ended 30 June											
	Hotel business				Holding Investment	Total segments		Adjustments and eliminations		Consolidated		
	Hotel in Bangkok		Hotel in Chiangmai			2021	2020	2021	2020	2021	2020	2021
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues												
External customers	40	21	12	3	-	-	52	24	-	-	52	24
Total revenues	40	21	12	3	-	-	52	24	-	-	52	24
Operating results												
Segment gross profit (loss)	-	(35)	(2)	(10)	-	-	(2)	(45)	-	-	(2)	(45)
Other income	3	2	-	-	11	-	14	2	-	-	14	2
Depreciation and amortisation expenses	(31)	(34)	(20)	(22)	-	-	(51)	(56)	-	-	(51)	(56)
Exchange losses	-	-	-	-	-	(32)	-	(32)	(11)	26	(11)	(6)
Share of losses from investments in associates	-	-	-	-	(4)	-	(4)	-	-	-	(4)	-
Finance income	2	31	-	-	5	12	7	43	-	(26)	7	17
Finance cost	(11)	-	-	-	-	-	(11)	-	11	-	-	-
Profit (loss) before income tax	(86)	(107)	(37)	(53)	12	(21)	(111)	(181)	-	-	(111)	(181)
Income tax benefits (expenses)	-	31	-	-	4	(7)	4	24	-	-	4	24
Profit (loss) for the period	(86)	(76)	(37)	(53)	16	(28)	(107)	(157)	-	-	(107)	(157)

(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	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues												
External customers	99	359	28	90	-	-	127	449	-	-	127	449
Total revenues	<u>99</u>	<u>359</u>	<u>28</u>	<u>90</u>	<u>-</u>	<u>-</u>	<u>127</u>	<u>449</u>	<u>-</u>	<u>-</u>	<u>127</u>	<u>449</u>
Operating results												
Segment gross profit	12	189	1	48	-	-	13	237	-	-	13	237
Other income	4	4	-	1	11	-	15	5	-	-	15	5
Depreciation and amortisation expenses	(62)	(70)	(41)	(43)	-	-	(103)	(113)	-	-	(103)	(113)
Exchange gains (losses)	-	-	-	-	20	50	20	50	(30)	(11)	(10)	39
Share of losses from investments in associates	-	-	-	-	(7)	-	(7)	-	-	-	(7)	-
Finance income	4	12	-	-	11	25	15	37	-	-	15	37
Finance cost	(30)	(11)	-	-	-	-	(30)	(11)	30	11	-	-
Profit (loss) before income tax	<u>(181)</u>	<u>(63)</u>	<u>(76)</u>	<u>(54)</u>	<u>35</u>	<u>74</u>	<u>(222)</u>	<u>(43)</u>	<u>-</u>	<u>-</u>	<u>(222)</u>	<u>(43)</u>
Income tax benefits (expenses)	19	23	8	-	4	(8)	31	15	-	-	31	15
Profit (loss) for the period	<u>(162)</u>	<u>(40)</u>	<u>(68)</u>	<u>(54)</u>	<u>39</u>	<u>66</u>	<u>(191)</u>	<u>(28)</u>	<u>-</u>	<u>-</u>	<u>(191)</u>	<u>(28)</u>

16. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Interim dividends for 2019	The Board of Directors' Meeting on 29 April 2020	292.5	2.25
Total dividends for 2020		292.5	2.25

17. Commitments and contingent liabilities**17.1 Capital commitments**

As at 30 June 2021, the Company had capital commitments of approximately Baht 52 million (31 December 2020: Baht 54 million), relating to the construction, renovation of the hotel building and acquisition of machinery and equipment.

17.2 Service commitments

As at 30 June 2021, the Company had no future minimum payments required under non-cancellable service contracts (31 December 2020: Baht 1 million).

17.3 Guarantees

- (1) As at 30 June 2021, there were outstanding bank guarantees of approximately Baht 12 million (31 December 2020: Baht 12 million) issued by a bank on behalf of the Company in respect of electricity usage.
- (2) As at 30 June 2021 and 31 December 2020, the Company had the Counter Indemnity Agreement with the parent company to indemnify the contingent liability relating to loan facilities from banks of its two associated companies, Traders Yangon Company Limited and Shangri-La Yangon Company Limited, amounting to USD 11.77 million and USD 6.67 million, respectively, which is loan facilities according to the subsidiary's proportionate interest in these associates.

18. Financial instruments**18.1 Fair value of financial instruments**

Most of the Group's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value.

18.2 Fair value hierarchy

As at 30 June 2021 and 31 December 2020, the subsidiary had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 30 June 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Listed equity instruments	532	-	-	532

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Listed equity instruments	281	-	-	281
Non - Listed equity instruments	-	-	131	131

Valuation techniques and inputs to Level 3 valuation

The fair value of investment in equity instruments of non-listed company has been determined by analysis and considering change in the invested companies' financial position and operation performance, including other several factors.

However, during the current period, non-listed equity instruments (Don Muang Tollway Public Company Limited) is listed in the Stock Exchange of Thailand, with trading permitted from 7 May 2021. Therefore, the Company has changed the method and the assumption for measurement of this financial instruments and there was transfer within the fair value hierarchy from level 3 to level 1.

18.3. Foreign currency risk

The balances of financial assets and liabilities denominated in foreign currencies of the Group as at 30 June 2021 and 31 December 2020 are summarised below.

Consolidated financial statements						
Foreign currency	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
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		
US dollar	43	43	-	-	32.0533	30.0371

Separate financial statements						
Foreign currency	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
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		
US dollar	-	-	15	15	32.0533	30.0371

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 August 2021.

To : Managing Director
The Stock Exchange of Thailand

Date : August 9, 2021

Re : Management Discussion and Analysis for the period ended June 30, 2021

The Board of Directors of Shangri-La Hotel Public company Limited is pleased to announce the Company's results of operation for the period ended June 30, 2021 as follows: -

Net profit / (loss) after corporate income tax for the three-month period ended June 30, 2021 and 2020:

(Baht in million)	2021	2020	Change
The Company	(122.93)	(127.67)	3.71%
Consolidated	(113.43)	(156.69)	27.61%

The Company:

The Company's loss before corporate income tax benefits for the three-month period ended June 30, 2021 decreased by Baht 36.75 million against the corresponding period of last year. The decrease in the Company's loss was mainly attributed to the decrease in loss before income tax benefits of Shangri-La Hotel, Bangkok ("SLBK") by Baht 21.55 million and decrease in loss of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 15.20 million.

Revenues from hotel operations of SLBK increased by Baht 18.54 million from Baht 21.39 million to Baht 39.93 million mainly due to the increase in all types of revenue including room, food & beverages and other revenue resulting from ASQ revenue, staycation package and voucher sales. Gross Profit before expenses increased by Baht 34.86 million. Selling and administrative expenses decreased by Baht 7.09 million and Baht 15.49 million, respectively. Depreciation expense decreased by Baht 3.04 million against last year. Finance income decreased by Baht 37.14 million mainly due to weakening of Thai Baht currency against US Dollar. As a result, the loss before corporate income tax benefits decreased by Baht 21.55 million from Baht 107.36 million to Baht 85.81 million.

Loss before corporate income tax benefits of SLCM decreased by Baht 15.20 million as compared to 2020, mainly attributed to higher revenues from hotel operations by Baht 8.67 million from Baht 3.04 million to Baht 11.71 million as a result of food & beverage revenue resulting from pastry revenue. Gross Profit before expenses increased by Baht 9.11 million. Selling and administrative expenses decreased by Baht 1.56 million and Baht 3.40 million, respectively. Depreciation Expenses decreased by Baht 1.05 million against last year. As a result, the loss before corporate income tax benefits decreased by Baht 15.20 million from Baht 52.32 million to Baht 37.12 million.

Consequently, the total loss of SLBK and SLCM before corporate income tax benefits decreased by Baht 36.75 million from Baht 159.68 million to Baht 122.93 million. The corporate income tax benefits decreased by Baht 32.01 million as compared to 2020 due to not record the deferred tax asset during second quarter. The Company recorded a net loss after tax benefits of Baht 122.93 million for the three-month period ended June 30, 2021 compared to Baht 127.67 million last year (decreased by 3.71%).

Consolidated:

The consolidated loss before corporate income tax benefits for three-month period ended June 30, 2021 decreased by Baht 69.93 million against last year. The decrease in consolidated loss before corporate income tax benefits was due to decrease in the Company's loss before corporate income tax benefits of Baht 36.75 million and decrease in loss from subsidiaries by Baht 33.18 million. The decrease in loss of subsidiaries was largely due to the dividend income from Don Muang Tollway Public Company Limited and the decrease in exchange loss from loan to a related company. As a result, the corporate income tax benefits decreased by Baht 20.65 million mainly as a result of lower loss from the Company. Overall, the consolidated net loss after tax benefits attributable to the equity holders of the Company for the three-month period ended June 30, 2021 decreased by Baht 43.26 million against last year (decreased by 27.61%).

Net profit / (loss) after corporate income tax for the six-month period ended June 30, 2021 and 2020:

(Baht in million)	<u>2021</u>	<u>2020</u>	<u>Change</u>
The Company	(229.72)	(93.49)	(145.72%)
Consolidated	(197.45)	(27.58)	(615.85%)

The Company:

The Company's loss before corporate income tax benefits for the six-month period ended June 30, 2021 increased by Baht 139.42 million against the corresponding period of last year. The increase in the Company's loss was mainly attributed to the increase in loss before income tax benefits of Shangri-La Hotel, Bangkok ("SLBK") by Baht 117.59 million and increase in loss of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 21.83 million.

Revenues from hotel operations of SLBK decreased by Baht 260.46 million from Baht 359.13 million to Baht 98.67 million mainly due to the decrease in all types of revenue including room, food & beverages and other revenue resulting from lower occupancy due to COVID-19 pandemic situation. Gross Profit before expenses decreased by Baht 177.11 million. Selling and administrative expenses decreased by Baht 23.15 million and Baht 56.17 million, respectively. Depreciation expense decreased by Baht 7.98 million against last year. Finance cost increased by Baht 19.06 million mainly due to increase in unrealized exchange loss US Dollar loan compared to 2020. As a result, the loss before corporate income tax benefits increased by Baht 117.59 million from Baht 63.34 million to Baht 180.93 million.

Loss before corporate income tax benefits of SLCM increased by Baht 21.83 million as compared to 2020, mainly attributed to lower revenues from hotel operations by Baht 62.37 million from Baht 90.30 million to Baht 27.93 million as a result of lower room occupancy and average room rates in 2021 due to COVID-19 pandemic situation. Gross Profit before expenses decreased by Baht 46.15 million. Selling and administrative expenses decreased by Baht 5.27 million and Baht 18.22 million, respectively. Depreciation Expenses decreased by Baht 1.61 million against last year. As a result, the loss before corporate income tax benefits increased by Baht 21.83 million from Baht 53.69 million to Baht 75.52 million.

Consequently, the total loss of SLBK and SLCM before corporate income tax benefits increased by Baht 139.42 million from Baht 117.03 million to Baht 256.45 million. The corporate income tax benefits increased by Baht 3.19 million as compared to 2020 due to higher loss before income tax in 2021. The Company recorded a net loss after tax benefits of Baht 229.72 million for the six-month period ended June 30, 2021 compared to loss of Baht 93.49 million last year (increased by 145.72%).

Consolidated:

The consolidated loss before corporate income tax benefits for the six-month period ended June 30, 2021 increased by Baht 178.70 million against last year. The increase in consolidated loss before corporate income tax benefits was due to increase in the Company's loss before corporate income tax benefits of Baht 139.42 million and increase in loss from subsidiaries by Baht 39.28 million. The increase in loss of subsidiaries was largely due to the decrease in exchange gain from loan to a related company. As a result, the corporate income tax benefits increased by Baht 14.86 million. Overall, the consolidated net loss after tax benefits attributable to the equity holders of the Company for the six-month period ended June 30, 2021 increased by Baht 169.87 million against last year (increased by 615.85%).

Yours faithfully,

(Mrs. Pavinee Meensuk)
Director

Headline: Financial Performance Quarter 2 (F45) (Reviewed)

Security Symbol: SHANG

Announcement Details

Financial Statement (F45)

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

(In thousands)

Financial Statement	Quarter 2		For 6 Months	
Status	Reviewed		Reviewed	
Ending	30 June		30 June	
Year	2021	2020	2021	2020
Profit (loss) attributable to equity holders of the Company *	(113,427)	(156,687)	(197,446)	(27,582)
EPS (baht)	(0.87)	(1.21)	(1.52)	(0.21)

Type of report Unqualified opinion with an emphasis of matters /Others

*For consolidated financial statements

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

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

Signature _____

(Mrs. Pavinee Meensuk)

Director

Authorized Persons to Disclose Information

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