

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, 8 November 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 nine-month periods ended
30 September 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 September 2021, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statement of changes in shareholders' equity and cash flows for the nine-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 this matter.

Chonlaros Suntiasvaraporn

Certified Public Accountant (Thailand) No. 4523

EY Office Limited

Bangkok: 8 November 2021

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2021	31 December 2020	30 September 2021	31 December 2020
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		1,346,944	1,162,613	37,174	59,731
Fixed deposits with financial institutions		978,600	1,152,600	956,000	1,130,000
Trade and other receivables	3, 4	12,294	17,979	11,647	17,781
Inventories		20,033	24,835	20,033	24,835
Other current assets		24,297	21,999	24,297	21,985
Total current assets		2,382,168	2,380,026	1,049,151	1,254,332
Non-current assets					
Other non-current financial assets	7	475,721	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	1,306,861	1,157,478	-	-
Property, plant and equipment	8	3,460,234	3,600,867	3,458,380	3,599,013
Intangible assets		1,225	3,211	1,225	3,211
Deferred tax assets		130,774	120,445	130,774	104,043
Other non-current assets		4,706	4,295	4,706	4,295
Total non-current assets		5,379,521	5,298,647	4,898,085	5,013,562
Total assets		7,761,689	7,678,673	5,947,236	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 September 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3, 9	74,588	97,713	72,802	95,784
Short-term loans from related party	3	-	-	511,362	453,102
Income tax payable		2,237	2,111	-	-
Other current liabilities	10	85,495	89,096	85,495	89,096
Total current liabilities		162,320	188,920	669,659	637,982
Non-current liabilities					
Provision for long-term employee benefits	11	82,635	79,587	82,635	79,587
Deferred tax liabilities		12,088	7,571	-	-
Other non-current liabilities		22,842	21,589	22,842	21,589
Total non-current liabilities		117,565	108,747	105,477	101,176
Total liabilities		279,885	297,667	775,136	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		3,553,743	3,842,243	2,151,700	2,508,336
Other components of shareholders' equity		787,810	456,002	-	-
Equity attributable to owners of the Company		7,361,953	7,318,645	5,172,100	5,528,736
Non-controlling interests of the subsidiary		119,851	62,361	-	-
Total shareholders' equity		7,481,804	7,381,006	5,172,100	5,528,736
Total liabilities and shareholders' equity		7,761,689	7,678,673	5,947,236	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 September 2021**

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

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit or loss:					
Revenues					
Revenues from hotel operations		69,920	86,842	69,920	86,842
Other income		2,876	4,381	1,812	1,183
Total revenues		<u>72,796</u>	<u>91,223</u>	<u>71,732</u>	<u>88,025</u>
Expenses					
Cost of hotel operations		57,563	96,608	57,563	96,608
Selling expenses		9,863	20,037	9,863	20,037
Administrative expenses		55,105	62,612	54,781	62,296
Depreciation and amortisation expenses		49,975	56,014	49,975	56,014
Exchange losses		12,545	38,555	-	-
Total expenses		<u>185,051</u>	<u>273,826</u>	<u>172,182</u>	<u>234,955</u>
Loss from operating activities		<u>(112,255)</u>	<u>(182,603)</u>	<u>(100,450)</u>	<u>(146,930)</u>
Share of losses from investments in associates		(9,337)	-	-	-
Finance income	12	8,127	12,263	1,569	3,398
Finance cost	12	-	(40)	(28,033)	(11,440)
Loss before income tax		<u>(113,465)</u>	<u>(170,380)</u>	<u>(126,914)</u>	<u>(154,972)</u>
Income tax benefits (expenses)	13	(166)	30,664	-	31,050
Loss for the period		<u>(113,631)</u>	<u>(139,716)</u>	<u>(126,914)</u>	<u>(123,922)</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		156,488	137,517	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		<u>156,488</u>	<u>137,517</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Loss on investments in equity designated at fair value through other comprehensive income - net of income tax		(73,492)	(15,133)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(73,492)</u>	<u>(15,133)</u>	<u>-</u>	<u>-</u>
Total other comprehensive income for the period		<u>82,996</u>	<u>122,384</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>(30,635)</u>	<u>(17,332)</u>	<u>(126,914)</u>	<u>(123,922)</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 September 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	(114,035)	(140,940)	<u>(126,914)</u>	<u>(123,922)</u>
Non-controlling interests of the subsidiary	<u>404</u>	<u>1,224</u>		
	<u>(113,631)</u>	<u>(139,716)</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	(27,408)	(18,556)	<u>(126,914)</u>	<u>(123,922)</u>
Non-controlling interests of the subsidiary	<u>(3,227)</u>	<u>1,224</u>		
	<u>(30,635)</u>	<u>(17,332)</u>		
Earnings per share				
Basic earnings (loss) per share	14			
Loss attributable to equity holders of the Company	<u>(0.88)</u>	<u>(1.08)</u>	<u>(0.98)</u>	<u>(0.95)</u>

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries**Statement of comprehensive income****For the nine-month period ended 30 September 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 or loss:					
Revenues					
Revenues from hotel operations		196,529	536,276	196,529	536,276
Exchange gains		-	409	-	-
Other income		17,678	9,328	5,957	6,130
Total revenues		214,207	546,013	202,486	542,406
Expenses					
Cost of hotel operations		170,684	309,291	170,684	309,291
Selling expenses		35,016	73,614	35,016	73,614
Administrative expenses		175,027	256,758	173,937	255,847
Depreciation and amortisation expenses		153,052	168,672	153,052	168,672
Exchange losses		22,775	-	-	-
Total expenses		556,554	808,335	532,689	807,424
Loss from operating activities		(342,347)	(262,322)	(330,203)	(265,018)
Share of losses from investments in associates	3	(16,306)	-	-	-
Finance income	12	23,535	49,177	5,096	15,614
Finance cost	12	-	(186)	(58,260)	(22,603)
Loss before income tax		(335,118)	(213,331)	(383,367)	(272,007)
Income tax benefits	13	30,064	46,033	26,731	54,594
Loss for the period		(305,054)	(167,298)	(356,636)	(217,413)
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		324,946	159,320	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		324,946	159,320	-	-
<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		80,906	(78,158)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		80,906	(78,158)	-	-
Total other comprehensive income for the period		405,852	81,162	-	-
Total comprehensive income for the period		100,798	(86,136)	(356,636)	(217,413)

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the nine-month period ended 30 September 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	(311,481)	(168,522)	<u>(356,636)</u>	<u>(217,413)</u>
Non-controlling interests of the subsidiary	<u>6,427</u>	<u>1,224</u>		
	<u>(305,054)</u>	<u>(167,298)</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	43,308	(87,360)	<u>(356,636)</u>	<u>(217,413)</u>
Non-controlling interests of the subsidiary	<u>57,490</u>	<u>1,224</u>		
	<u>100,798</u>	<u>(86,136)</u>		
Earnings per share				
Basic earnings (loss) per share	14			
Loss attributable to equity holders of the Company	<u>(2.40)</u>	<u>(1.30)</u>	<u>(2.74)</u>	<u>(1.67)</u>

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 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 paid-up share capital	Share premium	Retained earnings								
		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	-	-	-	(168,522)	-	-	-	(168,522)	1,224	(167,298)
Other comprehensive income for the period	-	-	-	-	159,320	(78,158)	81,162	81,162	-	81,162
Total comprehensive income for the period	-	-	-	(168,522)	159,320	(78,158)	81,162	(87,360)	1,224	(86,136)
Dividend paid (Note 16)	-	-	-	(292,500)	-	-	-	(292,500)	-	(292,500)
Balance as at 30 September 2020	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>4,656,835</u>	<u>594,406</u>	<u>(71,244)</u>	<u>523,162</u>	<u>8,200,397</u>	<u>62,362</u>	<u>8,262,759</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	-	-	-	(311,481)	-	-	-	(311,481)	6,427	(305,054)
Other comprehensive income for the period	-	-	-	-	324,946	29,843	354,789	354,789	51,063	405,852
Total comprehensive income for the period	-	-	-	(311,481)	324,946	29,843	354,789	43,308	57,490	100,798
Transfer gain on changes in fair value of equity instruments sold to retained earnings	-	-	-	22,981	-	(22,981)	(22,981)	-	-	-
Balance as at 30 September 2021	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>3,553,743</u>	<u>824,084</u>	<u>(36,274)</u>	<u>787,810</u>	<u>7,361,953</u>	<u>119,851</u>	<u>7,481,804</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 nine-month period ended 30 September 2021

(Unit: Thousand Baht)

Separate financial statements

	Issued and paid-up share capital	Share premium	Retained earnings		Total shareholders' equity
			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	-	-	-	(217,413)	(217,413)
Dividend paid (Note 16)	-	-	-	(292,500)	(292,500)
Balance as at 30 September 2020	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>2,586,381</u>	<u>5,606,781</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	-	-	-	(356,636)	(356,636)
Balance as at 30 September 2021	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>2,151,700</u>	<u>5,172,100</u>

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries**Cash flow statement****For the nine-month period ended 30 September 2021**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities				
Loss before tax	(335,118)	(213,331)	(383,367)	(272,007)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	153,052	168,672	153,052	168,672
Allowance for expected credit loss of trade receivables (reversal)	(385)	5,995	(385)	5,995
Gain on disposals/write-off of machinery, equipment and motor vehicle	(83)	(397)	(83)	(397)
Share of losses from investments in associates	16,306	-	-	-
Provision for long-term employee benefits	5,798	6,695	5,798	6,695
Unrealised loss on exchange	-	-	58,260	22,417
Dividend income	(11,722)	(3,197)	-	-
Interest income	(23,535)	(49,177)	(5,096)	(15,614)
Interest expenses	-	186	-	186
Loss from operating activities before changes in operating assets and liabilities	(195,687)	(84,554)	(171,821)	(84,053)
Operating assets (increase) decrease				
Trade and other receivables	5,905	116,159	5,905	116,159
Inventories	4,802	1,170	4,802	1,170
Other current assets	(630)	146	(644)	128
Other non-current assets	(411)	4,919	(411)	4,919
Operating liabilities increase (decrease)				
Trade and other payables	(23,125)	(156,445)	(22,982)	(157,106)
Other current liabilities	(3,601)	(79,973)	(3,601)	(79,973)
Provision for long-term employee benefits	(2,750)	(2,715)	(2,750)	(2,715)
Other non-current liabilities	1,253	(2,902)	1,253	(2,902)
Cash flows used in operating activities	(214,244)	(204,195)	(190,249)	(204,373)
Cash paid for corporate income tax	(7,979)	(86,965)	(1,668)	(85,634)
Net cash flows used in operating activities	(222,223)	(291,160)	(191,917)	(290,007)

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the nine-month period ended 30 September 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from investing activities				
Decrease in fixed deposits with financial institutions	174,000	680,248	174,000	675,000
Cash received from interest income	7,703	32,806	5,710	22,230
Dividend income	11,722	3,197	-	-
Proceeds from sales of other non-current financial assets	87,778	-	-	-
Acquisitions of property, plant and equipment	(10,439)	(188,300)	(10,439)	(188,300)
Acquisitions of intangible assets	-	(145)	-	(145)
Proceeds from disposals of machinery, equipment and motor vehicle	89	883	89	883
Net cash flows from investing activities	270,853	528,689	169,360	509,668
Cash flows from financing activities				
Cash paid for lease liability	-	(3,802)	-	(3,802)
Dividend paid	-	(292,500)	-	(292,500)
Net cash flows used in financing activities	-	(296,302)	-	(296,302)
Increase in translation adjustments	135,701	41,498	-	-
Net increase (decrease) in cash and cash equivalents	184,331	(17,275)	(22,557)	(76,641)
Cash and cash equivalents at beginning of period	1,162,613	1,402,753	59,731	329,604
Cash and cash equivalents at end of period	1,346,944	1,385,478	37,174	252,963

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

Shangri-La Hotel Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month and nine-month periods ended 30 September 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 September				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	6	7	-	-	USD LIBOR and 0.92 to 2.05 percent per annum
<u>Transactions with related companies</u>					
Revenues from hotel operations	11	11	11	11	Normal business price
Management fees	4	5	4	5	Contract price
Marketing and promotion fees	1	1	1	1	Contract price
Advertising and reservation fees	3	2	3	2	Contract price
Training fees	1	-	1	-	Contract price

(Unit: Million Baht)

	For the nine-month periods ended 30 September				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	16	23	-	-	USD LIBOR and 0.92 to 2.05 percent per annum
<u>Transactions with related companies</u>					
Revenues from hotel operations	30	32	30	32	Normal business price
Management fees	12	22	12	22	Contract price
Marketing and promotion fees	2	6	2	6	Contract price
Advertising and reservation fees	7	9	7	9	Contract price
Training fees	2	-	2	-	Contract price

(Unaudited but reviewed)

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
		(Audited)		(Audited)
<u>Trade receivables - related parties (Note 4)</u>				
Related companies				
Others	1,468	855	1,468	855
Total trade receivables - related parties	<u>1,468</u>	<u>855</u>	<u>1,468</u>	<u>855</u>
<u>Other receivables - related parties (Note 4)</u>				
Associated company				
Traders Yangon Company Limited	17	55	17	55
Related companies				
Others	1,259	1,330	1,259	1,330
Total other receivables - related parties	<u>1,276</u>	<u>1,385</u>	<u>1,276</u>	<u>1,385</u>
<u>Long-term loans to and interest receivables from related parties</u>				
Associated companies				
Non-interest bearing				
Traders Square Company Limited	45,982	40,716	-	-
	<u>45,982</u>	<u>40,716</u>	<u>-</u>	<u>-</u>
Interest bearing				
Traders Yangon Company Limited	552,055	488,827	-	-
Shangri-La Yangon Company Limited	813,301	711,915	-	-
Traders Square Company Limited	842,028	738,576	-	-
	<u>2,207,384</u>	<u>1,939,318</u>	<u>-</u>	<u>-</u>
Total	2,253,366	1,980,034	-	-
Less: Allowance for impairment losses on financial assets	(692,118)	(612,848)	-	-
Total	1,561,248	1,367,186	-	-
Less: Cumulative share of losses from investments in associates (Note 6)	(254,387)	(209,708)	-	-
Total long-term loans to and interest receivables from related parties - net	<u>1,306,861</u>	<u>1,157,478</u>	<u>-</u>	<u>-</u>

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 interim financial statements).

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	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.	26,098	22,897	26,005	22,897
Shangri-La International Hotel Management Limited	3,590	2,991	3,590	2,991
Others	528	975	-	5
Total other payables - related parties	<u>30,216</u>	<u>26,863</u>	<u>29,595</u>	<u>25,893</u>
<u>Short-term loans from related party</u>				
Subsidiary				
Hasfield Holdings Pte., Ltd.	-	-	511,362	453,102
Total short-term loans from related party	<u>-</u>	<u>-</u>	<u>511,362</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:

	Consolidated financial statements			
	Balance as at 1 January 2021	Increase during the period	Decrease during the period	Balance as at 30 September 2021
<u>Long-term loans to and interest receivables from related parties</u>				
Associated companies				
Non-interest bearing				
Traders Square Company Limited	40,716	-	-	45,982
Interest bearing				
Traders Yangon Company Limited	488,827	-	-	552,055
Shangri-La Yangon Company Limited	711,915	8,641	-	813,301
Traders Square Company Limited	738,576	7,356	-	842,028
Total	<u>1,980,034</u>	<u>15,997</u>	<u>-</u>	<u>2,253,366</u>
Less: Allowance for impairment losses on financial assets	<u>(612,848)</u>	<u>-</u>	<u>-</u>	<u>(692,118)</u>
Total	<u>1,367,186</u>	<u>15,997</u>	<u>-</u>	<u>1,561,248</u>
Less: Cumulative share of losses from investments in associates (Note 6)	<u>(209,708)</u>	<u>(16,306)</u>	<u>-</u>	<u>(254,387)</u>
Total long-term loans to and interest receivables from related parties - net	<u>1,157,478</u>	<u>(309)</u>	<u>-</u>	<u>1,306,861</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 1 January 2021	Increase during the period	Decrease during the period	Balance as at Loss on exchange 30 September 2021
<u>Short-term loans from related party</u>				
Subsidiary				
Hasfield Holdings Pte., Ltd.	453,102	-	-	58,260
Total short-term loans from related party	453,102	-	-	58,260

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 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 September	
	Consolidated/Separate financial statements	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	7,258	11,244
Post-employment benefits	593	777
Total	7,851	12,021

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September	
	Consolidated/Separate financial statements	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	25,017	36,188
Post-employment benefits	1,864	2,423
Total	26,881	38,611

Guarantee obligations with related parties

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

(Unaudited but reviewed)

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	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	1,468	855	1,468	855
Total trade receivables - related parties	1,468	855	1,468	855
<u>Trade receivables - unrelated parties</u>				
Age on the basis of invoice date				
Less than 120 days	6,980	11,757	6,980	11,757
120 - 180 days	9	27	9	27
Over 180 days	4,158	4,337	4,158	4,337
Total	11,147	16,121	11,147	16,121
Less: Allowance for expected credit losses	(3,932)	(4,317)	(3,932)	(4,317)
Total trade receivables - unrelated parties, net	7,215	11,804	7,215	11,804
Total trade receivables, net	8,683	12,659	8,683	12,659
<u>Other receivables</u>				
Other receivables - related parties (Note 3)	1,276	1,385	1,276	1,385
Other receivables - unrelated parties	418	1,853	418	1,853
Interest receivables	1,917	2,082	1,270	1,884
Total other receivables	3,611	5,320	2,964	5,122
Total trade and other receivables - net	12,294	17,979	11,647	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 September	31 December	30 September	31 December	30 September	31 December
	2021	2020	2021	2020	2021	2020
			(Percent)	(Percent)		(Audited)
Town Development	Baht 1,303	Baht 1,303				
Company Limited	million	million	100.00	100.00	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 September	31 December	30 September	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 September	31 December	30 September	31 December	30 September	31 December	30 September	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	30,330	26,856	-	-		
Shangri-La Yangon Company Limited	Serviced apartments	Myanmar	USD 2.0 million	USD 2.0 million	22.22	22.22	17,935	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	715	633	-	-		
Total							48,980	43,370	-	-		

6.2 Summarised financial information of associates

The financial information of these associated companies for three-month and nine-month periods ended 30 September 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 September	31 December	30 September	31 December	30 September	31 December
	2021	2020	2021	2020	2021	2020
Total assets	1,262,704	1,194,614	3,367,938	3,095,094	3,712,071	3,398,990
Total liabilities	(3,713,570)	(3,221,797)	(3,914,204)	(3,582,035)	(4,355,778)	(3,899,939)
Net assets (liabilities)	(2,450,866)	(2,027,183)	(546,266)	(486,941)	(643,707)	(500,949)

(Unit: Thousand Baht)

	For the three-month periods ended 30 September					
	Traders Yangon		Shangri-La Yangon		Traders Square	
	Company Limited		Company Limited		Company Limited	
	2021	2020	2021	2020	2021	2020
Total revenue	1,002	17,902	64,847	86,085	66,051	86,472
Profit (loss)	(49,177)	(64,012)	(7,910)	7,456	(32,172)	(11,409)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September					
	Traders Yangon		Shangri-La Yangon		Traders Square	
	Company Limited		Company Limited		Company Limited	
	2021	2020	2021	2020	2021	2020
Total revenue	7,819	126,171	216,566	284,797	206,036	257,642
Profit (loss)	(149,991)	(162,564)	3,399	36,140	(72,418)	(65,260)

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 September 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	(2,450,866)	(546,266)	(643,707)	(3,640,839)
Shareholding percentage (Percent)	23.53	22.22	23.56	
The Group's interests in associates	(576,689)	(121,380)	(151,657)	(849,726)
<u>Investments in associates</u>				
Ordinary shares, at cost	30,330	17,935	715	48,980
Less: Cumulative share of losses from investments in associates	(30,330)	(17,935)	(715)	(48,980)
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	552,055	813,301	888,010	2,253,366
Less: Impairment losses on financial assets	(552,055)	-	(140,063)	(692,118)
Total - net	-	813,301	747,947	1,561,248
Less: Cumulative share of losses from investments in associates	-	(103,445)	(150,942)	(254,387)
Total long-term loans to and interest receivables from related parties - net	-	709,856	597,005	1,306,861
Unrecognised cumulative share of losses from investments in associates	(546,359)	-	-	(546,359)

(Unaudited but reviewed)

8. Property, plant and equipment

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2021	3,600,867	3,599,013
Acquisitions during the period - at cost	10,439	10,439
Disposals/Write-off during the period - net book value at disposals/write-off date	(6)	(6)
Depreciation for the period	(151,066)	(151,066)
Net book value as at 30 September 2021	<u>3,460,234</u>	<u>3,458,380</u>

9. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
		(Audited)		(Audited)
Trade payables - unrelated parties	15,673	26,351	15,673	26,351
Other payables - related parties (Note 3)	30,216	26,863	29,595	25,893
Other payables - unrelated parties	3,619	6,736	3,577	6,713
Payables for purchase of assets	2,073	2,387	2,073	2,387
Retention payables	2,526	5,267	2,526	5,267
Accrued expenses	20,481	30,109	19,358	29,173
Total trade and other payables	<u>74,588</u>	<u>97,713</u>	<u>72,802</u>	<u>95,784</u>

10. Other current liabilities

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	30 September 2021	31 December 2020
		(Audited)
Advances from customers	64,359	67,907
Others	21,136	21,189
Total other current liabilities	<u>85,495</u>	<u>89,096</u>

11. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)
	Consolidated/Separate financial statements
Balance as at 1 January 2021	79,587
Current service cost	4,399
Interest cost	1,399
Benefits paid during the period	(2,750)
Balance as at 30 September 2021	82,635

12. Finance income/Finance cost

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

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finance income				
Interest income	8,127	12,263	1,569	3,398
Total	<u>8,127</u>	<u>12,263</u>	<u>1,569</u>	<u>3,398</u>
Finance cost				
Unrealised loss on exchange rate of short-term loan from related party	-	-	(28,033)	(11,400)
Interest expenses on lease liabilities	-	(40)	-	(40)
Total	<u>-</u>	<u>(40)</u>	<u>(28,033)</u>	<u>(11,440)</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finance income				
Interest income	23,535	49,177	5,096	15,614
Total	<u>23,535</u>	<u>49,177</u>	<u>5,096</u>	<u>15,614</u>
Finance cost				
Unrealised loss on exchange rate of short-term loan from related party (Note 3)	-	-	(58,260)	(22,417)
Interest expenses on lease liabilities	-	(186)	-	(186)
Total	<u>-</u>	<u>(186)</u>	<u>(58,260)</u>	<u>(22,603)</u>

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 nine-month periods ended 30 September 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	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	103	146	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	63	(30,810)	-	(31,050)
Income tax expenses (benefits) reported in the statements of comprehensive income	<u>166</u>	<u>(30,664)</u>	<u>-</u>	<u>(31,050)</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	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	6,437	800	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(36,501)</u>	<u>(46,833)</u>	<u>(26,731)</u>	<u>(54,594)</u>
Income tax benefits reported in the statements of comprehensive income	<u>(30,064)</u>	<u>(46,033)</u>	<u>(26,731)</u>	<u>(54,594)</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2021 and 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	<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	<u>(2,128)</u>	-	<u>29,917</u>	-
	<u>(2,128)</u>	-	<u>29,917</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 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Loss for the period (Thousand Baht)	(114,035)	(140,940)	(126,914)	(123,922)
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Loss per share (Baht per share)	(0.88)	(1.08)	(0.98)	(0.95)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Loss for the period (Thousand Baht)	(311,481)	(168,522)	(356,636)	(217,413)
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Loss per share (Baht per share)	(2.40)	(1.30)	(2.74)	(1.67)

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 nine-month periods ended 30 September 2021 and 2020.

(Unit: Million Baht)

	For the three-month periods ended 30 September											
	Hotel business						Holding Investment	Total segments	Adjustments and		Consolidated	
	Hotel in Bangkok		Hotel in Chiangmai		eliminations							
	<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	60	66	10	21	-	-	70	87	-	-	70	87
Total revenues	60	66	10	21	-	-	70	87	-	-	70	87
Operating results												
Segment gross profit (loss)	14	(11)	(1)	1	-	-	13	(10)	-	-	13	(10)
Other income	1	1	1	-	1	3	3	4	-	-	3	4
Depreciation and amortisation expenses	(30)	(35)	(20)	(21)	-	-	(50)	(56)	-	-	(50)	(56)
Exchange gains (losses)	-	-	-	-	15	(28)	15	(28)	(28)	(11)	(13)	(39)
Share of losses from investments in associates	-	-	-	-	(9)	-	(9)	-	-	-	(9)	-
Finance income	1	4	-	-	8	8	9	12	-	-	9	12
Finance cost	(28)	(11)	-	-	-	-	(28)	(11)	28	11	-	-
Profit (loss) before income tax	(90)	(112)	(37)	(43)	14	(15)	(113)	(170)	-	-	(113)	(170)
Income tax benefits (expenses)	-	32	-	-	(1)	(1)	(1)	31	-	-	(1)	31
Profit (loss) for the period	(90)	(80)	(37)	(43)	13	(16)	(114)	(139)	-	-	(114)	(139)

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Hotel business											
	Hotel in		Hotel in		Holding Investment		Total segments		Adjustments and		Consolidated	
	Bangkok		Chiangmai						eliminations			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues												
External customers	159	425	38	111	-	-	197	536	-	-	197	536
Total revenues	159	425	38	111	-	-	197	536	-	-	197	536
Operating results												
Segment gross profit	26	178	-	49	-	-	26	227	-	-	26	227
Other income	5	5	1	1	12	3	18	9	-	-	18	9
Depreciation and amortisation expenses	(92)	(105)	(61)	(64)	-	-	(153)	(169)	-	-	(153)	(169)
Exchange gains (losses)	-	-	-	-	35	22	35	22	(58)	(22)	(23)	-
Share of losses from investments in associates	-	-	-	-	(16)	-	(16)	-	-	-	(16)	-
Finance income	5	16	-	-	19	33	24	49	-	-	24	49
Finance cost	(58)	(22)	-	-	-	-	(58)	(22)	58	22	-	-
Profit (loss) before income tax	(271)	(175)	(113)	(97)	49	59	(335)	(213)	-	-	(335)	(213)
Income tax benefits (expense)	19	55	8	-	3	(9)	30	46	-	-	30	46
Profit (loss) for the period	(252)	(120)	(105)	(97)	52	50	(305)	(167)	-	-	(305)	(167)

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 September 2021, the Company had capital commitments of approximately Baht 51 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 September 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 September 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 September 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 September 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 September 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Listed equity instruments	476	-	-	476

(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 September 2021 and 31 December 2020 are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	As at	As at	As at	As at	As at	As at
	30 September	31 December	30 September	31 December	30 September	31 December
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		
US dollar	43	43	-	-	33.9223	30.0371

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	As at	As at	As at	As at	As at	As at
	30 September	31 December	30 September	31 December	30 September	31 December
	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		
US dollar	-	-	15	15	33.9223	30.0371

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 November 2021.

To : Managing Director
The Stock Exchange of Thailand

Date : November 8, 2021

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

The Board of Directors is pleased to announce the Company's results of operation for the period ended September 30, 2021 as follows: -

Net loss after corporate income tax for the three-month period ended September 30, 2021 and 2020:

(Baht in million)	<u>2021</u>	<u>2020</u>	<u>Change</u>
The Company	126.91	123.92	2.41%
Consolidated	114.04	140.94	(19.09%)

The Company:

The Company's loss before corporate income tax benefits for the three-month period ended September 30, 2021 decreased by Baht 28.06 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 21.57 million and decrease in loss of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 6.49 million.

Revenues from hotel operations of SLBK decreased by Baht 5.15 million from Baht 65.51 million to Baht 60.36 million mainly due to the decrease in food & beverages and other revenue. Gross Profit before expenses increased by Baht 24.98 million. Selling and administrative expenses decreased by Baht 7.28 million and Baht 2.52 million, respectively. Depreciation expense decreased by Baht 4.72 million against last year. Finance cost increased by Baht 16.59 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 21.57 million from Baht 111.68 million to Baht 90.11 million.

Loss before corporate income tax benefits of SLCM decreased by Baht 6.49 million as compared to 2020, mainly due to the decrease in all types of revenue including room, food & beverages and other revenue. Gross Profit before expenses decreased by Baht 2.86 million. Selling and administrative expenses decreased by Baht 2.90 million and Baht 4.99 million, respectively. Depreciation Expenses decreased by Baht 1.32 million against last year. As a result, the loss before corporate income tax benefits decreased by Baht 6.49 million from Baht 43.30 million to Baht 36.81 million.

Consequently, the total loss of SLBK and SLCM before corporate income tax benefits decreased by Baht 28.06 million from Baht 154.97 million to Baht 126.91 million. The corporate income tax benefits decreased by Baht 31.05 million as compared to 2020 due to not record the deferred tax asset during the third quarter. The Company recorded a net loss after tax benefits of Baht 126.91 million for the three-month period ended September 30, 2021 compared to Baht 123.92 million last year (increased by 2.41%).

Consolidated:

The consolidated loss before corporate income tax benefits for three-month period ended September 30, 2021 decreased by Baht 56.91 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 28.06 million and decrease in loss from subsidiaries by Baht 28.85 million. The decrease in loss of subsidiaries was largely due to the decrease in exchange loss from loan to a related company. As a result, the corporate income tax benefits decreased by Baht 30.83 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 September 30, 2021 decreased by Baht 26.90 million against last year (decreased by 19.09%).

Net loss after corporate income tax for the nine-month period ended September 30, 2021 and 2020:

(Baht in million)	<u>2021</u>	<u>2020</u>	<u>Change</u>
The Company	356.64	217.41	64.04%
Consolidated	311.48	168.52	84.83%

The Company:

The Company's loss before corporate income tax benefits for the nine-month period ended September 30, 2021 increased by Baht 111.36 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 96.02 million and increase in loss of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 15.34 million.

Revenues from hotel operations of SLBK decreased by Baht 265.61 million from Baht 424.64 million to Baht 159.03 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 152.14 million. Selling and administrative expenses decreased by Baht 30.43 million and Baht 58.69 million, respectively. Depreciation expense decreased by Baht 12.70 million against last year. Finance cost increased by Baht 35.66 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 96.02 million from Baht 175.01 million to Baht 271.03 million.

Loss before corporate income tax benefits of SLCM increased by Baht 15.34 million as compared to 2020, mainly attributed to lower revenues from hotel operations by Baht 74.14 million from Baht 111.64 million to Baht 37.50 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 49.00 million. Selling and administrative expenses decreased by Baht 8.17 million and Baht 23.22 million, respectively. Depreciation Expenses decreased by Baht 2.92 million against last year. As a result, the loss before corporate income tax benefits increased by Baht 15.34 million from Baht 96.99 million to Baht 112.33 million.

Consequently, the total loss of SLBK and SLCM before corporate income tax benefits increased by Baht 111.36 million from Baht 272.01 million to Baht 383.37 million. The corporate income tax benefits decreased by Baht 27.86 million as compared to 2020 due to not record the deferred tax asset during the third quarter. The Company recorded a net loss after tax benefits of Baht 356.64 million for the nine-month period ended September 30, 2021 compared to loss of Baht 217.41 million last year (increased by 64.04%).

Consolidated:

The consolidated loss before corporate income tax benefits for the nine-month period ended September 30, 2021 increased by Baht 121.79 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 111.36 million and decrease in profit from subsidiaries by Baht 10.43 million. The decrease in profit of subsidiaries was due to the decrease in exchange gain from loan to a related company. As a result, the corporate income tax benefits decreased by Baht 15.97 million. Overall, the consolidated net loss after tax benefits attributable to the equity holders of the Company for the nine-month period ended September 30, 2021 increased by Baht 142.96 million against last year (increased by 84.83%).

Yours faithfully,

(Mrs. Pavinee Meensuk)
Director

Headline: Financial Performance Quarter 3 (F45) (Reviewed)

Security Symbol: SHANG

Announcement Details

Financial Statement (F45)

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

(In thousands)

Financial Statement	Quarter 3		For 9 Months	
Status	Reviewed		Reviewed	
Ending	30 September		30 September	
Year	2021	2020	2021	2020
Profit (loss) attributable to equity holders of the Company *	(114,035)	(140,940)	(311,481)	(168,522)
EPS (baht)	(0.88)	(1.08)	(2.40)	(1.30)

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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