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SHANGRI-LA ASIA LIMITED

香格里拉(亞洲)有限公司

(Incorporated in Bermuda with limited liability)

website: www.ir.shangri-la.com

(Stock code: 00069)

OVERSEAS REGULATORY ANNOUNCEMENT

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

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

Executive directors

Mr KUOK Khoon Chen (Chairman)

Mr LUI Man Shing

Mr Madhu Rama Chandra RAO

Mr Gregory Allan DOGAN

Independent non-executive directors

Mr Alexander Reid HAMILTON

Mr Timothy David DATTELS

Mr WONG Kai Man

Mr Michael Wing-Nin CHIU

Professor LI Kwok Cheung Arthur

Non-executive directors

Mr KUOK Khoon Ean

Mr HO Kian Guan

Mr Roberto V ONGPIN

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

Hong Kong, 25 February 2014

To : Managing Director
The Stock Exchange of Thailand

Date : February 24, 2014

Re : Resolutions on recommendation on annual dividend, fixing of date of AGM No. 1/2014 and entering into of two counter indemnity agreements

Dear Sirs,

The Board of Directors of Shangri-La Hotel Public Company Limited (the “Company”) would like to inform you of the following resolutions passed at its Board Meeting No. 1/2014 held on February 24, 2014:

1. That an annual dividend for the operation of the Company from January 1, 2013 to December 31, 2013 at the rate of Baht 1.50 per share for 130,000,000 ordinary shares amounting to Baht 195,000,000 which will be payable to shareholders of the Company (the “Shareholders”) on May 21, 2014 be recommended to the Shareholders for approval at the Annual General Meeting scheduled to be held on April 23, 2014.

In addition, the recommended annual dividend of Baht 1.50 per share (subject to the Shareholders’ approval) and the special dividend payment at the rate of Baht 1.50 per share, which was approved at its Board Meeting No. 3/2013 held on August 6, 2013 for 130,000,000 ordinary shares amounting to a total of Baht 195,000,000 to the Shareholders on September 5, 2013, will make up a total dividend for 2013 of Baht 3.00 per share.

2. That the “record date” on which the Shareholders have the right to receive the annual dividend shall be May 6, 2014. Further, May 7, 2014 shall be the Company’s share register book closing date for collecting names of the Shareholders under Section 225 of the Securities and Exchange Act.
3. That the “record date” on which the Shareholders have the right to attend and vote at the Annual General Meeting of Shareholders No. 1/2014 shall be March 13, 2014. Further, March 14, 2014 shall be the Company’s share register book closing date for collecting names of the Shareholders under Section 225 of the Securities and Exchange Act.
4. That the Annual General Meeting of Shareholders No. 1/2014 be held on April 23, 2014 at 10.00 a.m. at Myanmar Room, 3rd Floor, Chao Phya Tower, Shangri-La Hotel, Bangkok.
5. That the agenda for the Annual General Meeting of Shareholders No. 1/2014 be as follows:
 - 5.1) To consider approval of the minutes of the Annual General Meeting of Shareholders No. 1/2013 which was held on April 24, 2013;
 - 5.2) To acknowledge the report of the Board of Directors on the business operation of the Company for the year 2013;
 - 5.3) To approve the Company’s Statements of Financial Position and the Statements of Income for the year ended December 31, 2013;
 - 5.4) To [acknowledge](#) the special dividend payment made on September 5, 2013;
 - 5.5) To consider and approve payment of the annual dividend for the year ended December 31, 2013;
 - 5.6) To approve the appointment of Directors in place of those Directors retiring by rotation;
 - 5.7) To consider the remuneration of the Directors;
 - 5.8) To appoint the Company’s auditors and to fix their remuneration; and
 - 5.9) To consider other business (if any).

6. That the entering into of a counter indemnity agreement with Shangri-La Asia Limited (“SA”) in respect of a loan of USD 50 million from International Finance Corporation (the “Bank”) to Traders Yangon Company Limited in which the Company has an indirect 23.53% interest be approved; and
7. That the entering into of a counter indemnity agreement with SA in respect of a loan of USD 30 million from the Bank to Shangri-La Yangon Company Limited in which the Company has an indirect 22.22% interest be approved.

The transactions in items 6 and 7 constitute connected transactions of the Company pursuant to the “Notification of the Board of Governors of the Stock Exchange of Thailand” regarding “Disclosure of Information and Acts of Listed Companies Concerning the Connected Transactions, 2003 (Complete version) and (No. 2), 2004”. The Board of the Company hereby provides the Information Memorandum in respect of the said connected transactions for your information.

Yours faithfully,

(Mrs. Pavinee Meensuk)
Director and Company Secretary

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

1. The transaction and parties involved:

The Board of Directors of Shangri-La Hotel Public Company Limited (the “Company”) resolved at its meeting No. 1/2014 held on February 24, 2014, approving the Company to enter into a counter indemnity agreement (the “Counter Indemnity Agreement”) with Shangri-La Asia Limited (“SA”) in respect of a loan of USD 50 million from International Finance Corporation (the “Bank”) to Traders Yangon Company Limited (“TYCL”).

2. Purpose of the Counter Indemnity:

The Company holds a 23.53% interest in TYCL through Zukerman Limited (“Zukerman”), a wholly-owned subsidiary of Apizaco Limited (“Apizaco”) which in turn is a wholly-owned subsidiary of the Company. TYCL develops and operates Traders Hotel, Yangon (the “Project”) located in Myanmar.

For financing the development of the Project, TYCL will enter into a loan agreement (the “Loan Agreement”) with the Bank in respect of a USD 50 million loan (the “Loan”) to be granted by the Bank to TYCL. As a condition for granting the Loan by the Bank and at the request of TYCL and the Company, SA will provide a guarantee (the “Guarantee”) in favour of the Bank guaranteeing the due and punctual payment obligations of TYCL under the Loan Agreement. SA will also, at the request of TYCL and the Company, undertake in favour of the Bank under a project funds agreement (the “Project Funds Agreement”) to provide funding to TYCL to facilitate the completion of the Project. SA’s obligations under the Guarantee and the Project Funds Agreement include those with respect to the Company’s 23.53% proportionate interest in TYCL.

As a condition for SA’s provision of the Guarantee and its payment and other undertakings in the Project Funds Agreement and other financing documents relating to the Loan, the Company will enter into the Counter Indemnity Agreement with SA to indemnify SA for such proportion of interest in TYCL (i.e. 23.53%) directly or indirectly held by the Company from time to time in respect of all and any amounts due or owing by SA under the Guarantee, the Project Funds Agreement and other financing documents relating to the Loan.

3. Total value of the transaction:

According to the Company’s 23.53% indirect interest in TYCL, the contingent liability and obligation of the Company under the Counter Indemnity Agreement is USD 11.765 million which is equivalent to approximately Baht 376.480 million and represents approximately 5.555% of the Company’s Net Tangible Asset Value as at December 31, 2013 (the Net Tangible Asset Value of the Company as at December 31, 2013 was Baht 6,776.846 million).

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

The Company is a 73.61% indirectly owned subsidiary of SA. Perseverance Investments Limited (“PIL”) and Shangri-La Hotels (Malaysia) Berhad (“SLM”) which are subsidiaries of SA, hold a combined shareholding interest of 52.95% in TYCL through their respective wholly-owned subsidiaries and are therefore connected persons of the Company according to the “Notification of the Board of Governors of the Stock Exchange of Thailand” regarding “Disclosure of Information and Acts of Listed Companies Concerning the Connected Transactions, 2003 (Complete version) and (No. 2), 2004”. Furthermore, Mr. Kuok Khoon Ean and Mr. Maris Pakdeetaveevivat who are members of the board of directors of SA are also directors of the Company and PIL. In addition, Mr. Maris Pakdeetaveevivat is also a director of Apizaco and Zukerman. Madam Kuok Oon Kwong, who is a member of the board of directors of SLM, is also a director of TYCL and the Company. Mrs. Pavinee Meensuk, a director of the Company, is also a director of Apizaco and Zukerman.

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

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

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

Save for the above directors who have abstained from voting on the board resolution in relation to the Counter Indemnity Agreement, the other directors of the Company including its audit committee and independent directors are of the view that the terms and conditions of the Counter Indemnity Agreement are fair and reasonable and the entering into of the Counter Indemnity Agreement with SA is in the interest of the Company and its shareholders as a whole.

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

1. The transaction and parties involved:

The Board of Directors of Shangri-La Hotel Public Company Limited (the “Company”) resolved at its meeting No. 1/2014 held on February 24, 2014, approving the Company to enter into a counter indemnity agreement (the “Counter Indemnity Agreement”) with Shangri-La Asia Limited (“SA”) in respect of a loan of USD 30 million from International Finance Corporation (the “Bank”) to Shangri-La Yangon Company Limited (“SYCL”).

2. Purpose of the Counter Indemnity:

The Company holds a 22.22% interest in SYCL through Zukerman Limited (“Zukerman”), a wholly-owned subsidiary of Apizaco Limited (“Apizaco”) which in turn is a wholly-owned subsidiary of the Company. SYCL develops Shangri-La Residences, Yangon and serviced apartments (the “Project”) in Myanmar.

For financing the development of the Project, SYCL will enter into a loan agreement (the “Loan Agreement”) with the Bank in respect of a USD 30 million loan (the “Loan”) to be granted by the Bank to SYCL. As a condition for granting the Loan by the Bank and at the request of SYCL and the Company, SA will provide a guarantee (the “Guarantee”) in favour of the Bank guaranteeing the due and punctual payment obligations of SYCL under the Loan Agreement. SA will also, at the request of SYCL and the Company, undertake in favour of the Bank under a project funds agreement (the “Project Funds Agreement”) to provide funding to SYCL to facilitate the completion of the Project. SA’s obligations under the Guarantee and the Project Funds Agreement include those with respect to the Company’s 22.22% proportionate interest in SYCL.

As a condition for SA’s provision of the Guarantee and its payment and other undertakings in the Project Funds Agreement and other financing documents relating to the Loan, the Company will enter into the Counter Indemnity Agreement with SA to indemnify SA for such proportion of interest in SYCL (i.e. 22.22%) directly or indirectly held by the Company from time to time in respect of all and any amounts due or owing by SA under the Guarantee, the Project Funds Agreement and other financing documents relating to the Loan.

3. Total value of the transaction:

According to the Company’s 22.22% indirect interest in SYCL, the contingent liability and obligation of the Company under the Counter Indemnity Agreement is USD 6.666 million which is equivalent to approximately Baht 213.312 million and represents approximately 3.148% of the Company’s Net Tangible Asset Value as at December 31, 2013 (the Net Tangible Asset Value of the Company as at December 31, 2013 was Baht 6,776.846 million).

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

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

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

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

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

Save for the above directors who have abstained from voting on the board resolution in relation to the Counter Indemnity Agreement, the other directors of the Company including its audit committee and independent directors are of the view that the terms and conditions of the Counter Indemnity Agreement are fair and reasonable and the entering into of the Counter Indemnity Agreement with SA is in the interest of the Company and its shareholders as a whole.