

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 November 2020

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)

Non-executive director(s)

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

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 2020

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 2020, 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 Matters

I draw attention to the following matters:

- a) I draw attention to Note 1.1 to the interim consolidated financial statements. The COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more

This situation significantly affects the Group's business activities in terms of the suspension of hotel services since 1 April 2020 until 31 May 2020, 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. However, the impact cannot be reasonably estimated at this stage.

The Group's management has continuously monitored the ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and will record the impact when it is possible to do so.

- b) I draw attention to Note 1.4 to the interim consolidated financial statements. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the three-month and nine-month periods ended 30 September 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic issued by the Federation of Accounting Professions.

My conclusion is not modified in respect of these matters.

Chonlaros Suntiasvaraporn

Certified Public Accountant (Thailand) No. 4523

EY Office Limited

Bangkok: 9 November 2020

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Assets					
Current assets					
Cash and cash equivalents		1,385,478	1,402,753	252,963	329,604
Fixed deposits with financial institutions	2	1,072,600	1,752,848	1,050,000	1,725,000
Trade and other receivables	4	18,500	147,764	18,304	147,074
Inventories		25,416	26,586	25,416	26,586
Other current assets	2	20,825	20,051	20,813	20,024
Total current assets		2,522,819	3,350,002	1,367,496	2,248,288
Non-current assets					
Other non-current financial assets	2, 7	401,962	-	-	-
Investments in subsidiaries	5	-	-	1,303,000	1,303,000
Investments in associates	6	-	-	-	-
Other long-term investments					
Investment in related party	2, 7	-	331,076	-	-
Investment in other company	2, 7	-	131,151	-	-
Long-term loans to and interest receivables					
from related parties	2, 3	1,918,836	1,795,264	-	-
Property, plant and equipment	2, 8	3,658,644	3,608,706	3,656,790	3,606,852
Intangible assets		4,165	6,865	4,165	6,865
Deferred tax assets		89,483	34,889	73,080	18,486
Other non-current assets		3,892	18,811	3,892	18,811
Total non-current assets		6,076,982	5,926,762	5,040,927	4,954,014
Total assets		8,599,801	9,276,764	6,408,423	7,202,302

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 2020

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 September 2020</u>	<u>31 December 2019</u>	<u>30 September 2020</u>	<u>31 December 2019</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	9	112,065	268,510	109,479	266,585
Short-term loan from related party	3	-	-	477,387	454,970
Current portion of lease liability	2	9,987	-	9,987	-
Income tax payable		2,278	86,673	-	83,867
Other current liabilities	10	<u>88,356</u>	<u>168,329</u>	<u>88,356</u>	<u>168,329</u>
Total current liabilities		<u>212,686</u>	<u>523,512</u>	<u>685,209</u>	<u>973,751</u>
Non-current liabilities					
Lease liability, net of current portion	2	3,498	-	3,498	-
Provision for long-term employee benefits	11	93,593	89,613	93,593	89,613
Deferred tax liability		7,923	-	-	-
Other non-current liabilities		<u>19,342</u>	<u>22,244</u>	<u>19,342</u>	<u>22,244</u>
Total non-current liabilities		<u>124,356</u>	<u>111,857</u>	<u>116,433</u>	<u>111,857</u>
Total liabilities		<u>337,042</u>	<u>635,369</u>	<u>801,642</u>	<u>1,085,608</u>
Shareholders' equity					
Share capital					
Registered, issued and fully paid					
130,000,000 ordinary shares of Baht 10 each		1,300,000	1,300,000	1,300,000	1,300,000
Share premium		1,590,400	1,590,400	1,590,400	1,590,400
Retained earnings					
Appropriated - statutory reserve		130,000	130,000	130,000	130,000
Unappropriated		4,662,854	5,123,876	2,592,400	3,102,313
Other components of shareholders' equity		<u>517,143</u>	<u>435,981</u>	<u>(6,019)</u>	<u>(6,019)</u>
Equity attributable to owners of the Company		8,200,397	8,580,257	5,606,781	6,116,694
Non-controlling interests of the subsidiary		<u>62,362</u>	<u>61,138</u>	-	-
Total shareholders' equity		<u>8,262,759</u>	<u>8,641,395</u>	<u>5,606,781</u>	<u>6,116,694</u>
Total liabilities and shareholders' equity		<u>8,599,801</u>	<u>9,276,764</u>	<u>6,408,423</u>	<u>7,202,302</u>
		-	-	-	-

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 2020**

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit or loss:					
Revenues					
Revenues from hotel operations		86,842	559,640	86,842	559,640
Interest income		12,263	20,044	3,398	6,595
Exchange gains		-	29,884	-	-
Other income		4,381	4,749	1,183	4,801
Total revenues		<u>103,486</u>	<u>614,317</u>	<u>91,423</u>	<u>571,036</u>
Expenses					
Cost of hotel operations		96,608	198,074	96,608	198,074
Selling expenses		20,037	38,551	20,037	38,551
Administrative expenses		62,612	139,560	62,296	139,264
Depreciation and amortisation expenses		56,014	54,355	56,014	54,355
Exchange losses		38,555	-	-	-
Total expenses		<u>273,826</u>	<u>430,540</u>	<u>234,955</u>	<u>430,244</u>
Profit (loss) from operating activities		<u>(170,340)</u>	<u>183,777</u>	<u>(143,532)</u>	<u>140,792</u>
Finance income (Finance cost)	12	<u>(40)</u>	<u>-</u>	<u>(11,440)</u>	<u>2,236</u>
Profit (loss) before income tax		<u>(170,380)</u>	<u>183,777</u>	<u>(154,972)</u>	<u>143,028</u>
Income tax	13	<u>30,664</u>	<u>(30,421)</u>	<u>31,050</u>	<u>(28,575)</u>
Profit (loss) for the period		<u>(139,716)</u>	<u>153,356</u>	<u>(123,922)</u>	<u>114,453</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		137,517	(74,053)	-	-
Loss on investments in equity designated at fair value through other comprehensive income		-	(74,868)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		<u>137,517</u>	<u>(148,921)</u>	<u>-</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Loss on investments in equity designated at fair value through other comprehensive income		(15,133)	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		<u>(15,133)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other comprehensive income for the period		<u>122,384</u>	<u>(148,921)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>(17,332)</u>	<u>4,435</u>	<u>(123,922)</u>	<u>114,453</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 2020

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit (loss) attributable to:				
Equity holders of the Company	(140,940)	153,363	<u>(123,922)</u>	<u>114,453</u>
Non-controlling interests of the subsidiary	<u>1,224</u>	<u>(7)</u>		
	<u>(139,716)</u>	<u>153,356</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	(18,556)	4,442	<u>(123,922)</u>	<u>114,453</u>
Non-controlling interests of the subsidiary	<u>1,224</u>	<u>(7)</u>		
	<u>(17,332)</u>	<u>4,435</u>		
Earnings per share				
Basic earnings (loss) per share	14			
Profit (loss) attributable to equity holders of the Company	<u>(1.08)</u>	<u>1.18</u>	<u>(0.95)</u>	<u>0.88</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 2020**

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit or loss:					
Revenues					
Revenues from hotel operations		536,276	1,788,527	536,276	1,788,527
Interest income		49,177	64,480	15,614	22,785
Exchange gains		409	41,525	-	-
Other income		9,328	26,402	6,130	15,200
Total revenues		<u>595,190</u>	<u>1,920,934</u>	<u>558,020</u>	<u>1,826,512</u>
Expenses					
Cost of hotel operations		309,291	591,040	309,291	591,040
Selling expenses		73,614	127,201	73,614	127,201
Administrative expenses		256,758	433,831	255,847	432,923
Depreciation and amortisation expenses		168,672	161,242	168,672	161,242
Total expenses		<u>808,335</u>	<u>1,313,314</u>	<u>807,424</u>	<u>1,312,406</u>
Profit (loss) from operating activities		<u>(213,145)</u>	<u>607,620</u>	<u>(249,404)</u>	<u>514,106</u>
Finance income (Finance cost)	12	(186)	-	(22,603)	27,730
Profit (loss) before income tax		<u>(213,331)</u>	<u>607,620</u>	<u>(272,007)</u>	<u>541,836</u>
Income tax	13	46,033	(113,587)	54,594	(108,226)
Profit (loss) for the period		<u>(167,298)</u>	<u>494,033</u>	<u>(217,413)</u>	<u>433,610</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		159,320	(246,095)	-	-
Loss on investments in equity designated at fair value through other comprehensive income		-	(155,313)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		159,320	(401,408)	-	-
<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		(78,158)	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		(78,158)	-	-	-
Total other comprehensive income for the period		<u>81,162</u>	<u>(401,408)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>(86,136)</u>	<u>92,625</u>	<u>(217,413)</u>	<u>433,610</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 nine-month period ended 30 September 2020

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit (loss) attributable to:				
Equity holders of the Company	(168,522)	491,998	<u>(217,413)</u>	<u>433,610</u>
Non-controlling interests of the subsidiary	<u>1,224</u>	<u>2,035</u>		
	<u>(167,298)</u>	<u>494,033</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	(87,360)	90,590	<u>(217,413)</u>	<u>433,610</u>
Non-controlling interests of the subsidiary	<u>1,224</u>	<u>2,035</u>		
	<u>(86,136)</u>	<u>92,625</u>		
Earnings per share				
Basic earnings (loss) per share	14			
Profit (loss) attributable to equity holders of the Company	<u>(1.30)</u>	<u>3.78</u>	<u>(1.67)</u>	<u>3.34</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 2020

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to owners of the Company											
				Other components of shareholders' equity							
				Other comprehensive income							
		Retained earnings		Exchange	Surplus (deficits)						
				differences on	on changes	Actuarials loss	Total other		Total equity	Equity attributable	
				translation of	in value of	on defined	components of		attributable to	to non-controlling	
				financial	investment	employee	shareholders'		owners of	interests of	
				statements in	in equity	benefit plans	equity		the Company	the subsidiary	
Issued and	paid-up	share capital	Share premium	Appropriated	Unappropriated	foreign currency	instruments	benefit plans	equity	Total	
Balance as at 1 January 2019	1,300,000	1,590,400	130,000	4,771,412	669,449	156,133	(6,019)	819,563	8,611,375	57,867	8,669,242
Profit for the period	-	-	-	491,998	-	-	-	-	491,998	2,035	494,033
Other comprehensive income for the period	-	-	-	-	(246,095)	(155,313)	-	(401,408)	(401,408)	-	(401,408)
Total comprehensive income for the period	-	-	-	491,998	(246,095)	(155,313)	-	(401,408)	90,590	2,035	92,625
Dividend paid (Note 16)	-	-	-	(292,500)	-	-	-	-	(292,500)	-	(292,500)
Balance as at 30 September 2019	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>4,970,910</u>	<u>423,354</u>	<u>820</u>	<u>(6,019)</u>	<u>418,155</u>	<u>8,409,465</u>	<u>59,902</u>	<u>8,469,367</u>
Balance as at 1 January 2020	1,300,000	1,590,400	130,000	5,123,876	435,086	6,914	(6,019)	435,981	8,580,257	61,138	8,641,395
Profit 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>4,662,854</u>	<u>594,406</u>	<u>(71,244)</u>	<u>(6,019)</u>	<u>517,143</u>	<u>8,200,397</u>	<u>62,362</u>	<u>8,262,759</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 2020

(Unit: Thousand Baht)

Separate financial statements							
				Other components of shareholders' equity			
				Other comprehensive			
				income			
Issued and		Retained earnings		Actuarials loss	Total other	Total	
paid-up				on defined	components of	shareholders'	shareholders'
share capital		Share premium		employee	shareholders' equity	equity	equity
		Appropriated		benefit plans			
		Unappropriated					
Balance as at 1 January 2019	1,300,000	1,590,400	130,000	2,712,908	(6,019)	(6,019)	5,727,289
Total comprehensive income for the period	-	-	-	433,610	-	-	433,610
Dividend paid (Note 16)	-	-	-	(292,500)	-	-	(292,500)
Balance as at 30 September 2019	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>2,854,018</u>	<u>(6,019)</u>	<u>(6,019)</u>	<u>5,868,399</u>
Balance as at 1 January 2020	1,300,000	1,590,400	130,000	3,102,313	(6,019)	(6,019)	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>2,592,400</u>	<u>(6,019)</u>	<u>(6,019)</u>	<u>5,606,781</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 2020

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Profit (loss) before tax	(213,331)	607,620	(272,007)	541,836
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	168,672	161,242	168,672	161,242
Allowance for doubtful accounts	5,995	515	5,995	515
Reversal of reduction of inventory to net realisable value	-	(344)	-	(344)
Gain on disposals/write-off of machinery and equipment	(397)	(493)	(397)	(493)
Unrealised (gain) loss on exchange	-	-	22,417	(27,730)
Provision for long-term employee benefits	6,695	18,966	6,695	18,966
Dividend income	(3,197)	(11,202)	-	-
Interest income	(49,177)	(64,480)	(15,614)	(22,785)
Interest expenses	186	-	186	-
Profit (loss) from operating activities before changes in operating assets and liabilities	(84,554)	711,824	(84,053)	671,207
Operating assets (increase) decrease				
Trade and other receivables	116,159	24,968	116,159	24,981
Inventories	1,170	4,019	1,170	4,019
Other current assets	146	(1,941)	128	(1,950)
Other non-current assets	4,919	1,539	4,919	1,539
Operating liabilities increase (decrease)				
Trade and other payables	(156,445)	(97,824)	(157,106)	(98,938)
Other current liabilities	(79,973)	53,712	(79,973)	55,813
Provision for long-term employee benefits	(2,715)	(4,444)	(2,715)	(4,444)
Other non-current liabilities	(2,902)	347	(2,902)	347
Cash flows from (used in) operating activities	(204,195)	692,200	(204,373)	652,574
Cash paid for corporate income tax	(86,965)	(157,017)	(85,634)	(152,238)
Net cash flows from (used in) operating activities	(291,160)	535,183	(290,007)	500,336

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 2020

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
Decrease (increase) in fixed deposits with financial institutions	680,248	(684,498)	675,000	130,000
Cash received from interest income	32,806	38,967	22,230	26,449
Dividend income	3,197	11,202	-	-
Acquisitions of property, plant and equipment	(188,300)	(1,968,115)	(188,300)	(1,968,115)
Acquisitions of intangible assets	(145)	(3,962)	(145)	(3,962)
Proceeds from disposals of machineries and equipment	883	866	883	866
Net cash flows from (used in) investing activities	<u>528,689</u>	<u>(2,605,540)</u>	<u>509,668</u>	<u>(1,814,762)</u>
Cash flows from financing activities				
Cash paid for lease liability	(3,802)	-	(3,802)	-
Dividend paid	(292,500)	(292,500)	(292,500)	(292,500)
Net cash flows used in financing activities	<u>(296,302)</u>	<u>(292,500)</u>	<u>(296,302)</u>	<u>(292,500)</u>
Increase (decrease) in translation adjustments	<u>41,498</u>	<u>(112,007)</u>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	<u>(17,275)</u>	<u>(2,474,864)</u>	<u>(76,641)</u>	<u>(1,606,926)</u>
Cash and cash equivalents at beginning of period	<u>1,402,753</u>	<u>2,782,274</u>	<u>329,604</u>	<u>1,675,701</u>
Cash and cash equivalents at end of period	<u>1,385,478</u>	<u>307,410</u>	<u>252,963</u>	<u>68,775</u>
	-	-	-	-

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

Shangri-La Hotel Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month and nine-month periods ended 30 September 2020

1. General information

1.1 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries in terms of supply chains, consumer spending, limited or suspended production, operational delays, and more.

This situation significantly affects the Group's business activities in terms of the suspension of hotel services since 1 April 2020 until 31 May 2020, 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. However, the impact cannot be reasonably estimated at this stage. 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 will record the impact when it is possible to do so.

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 2019. 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 (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets at fair value through other comprehensive income.

- Recognition of credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables and applies the general approach for loans to and interest receivables from related parties.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

However, these standards do not have any significant impact on the Group's financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 2.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- To measure the fair value of investments in unquoted equity instruments using the fair value as at 1 January 2020.
- Not to account for any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognised in each period reversed in proportion to the reduction, with any differences then recognised in profit or loss.
- Not to use information relating to the COVID-19 situation in determining whether sufficient taxable profits will be available in future periods against which deferred tax assets can be utilised.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, *Impairment of Assets*.

b.) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

- The Federation of Accounting Professions issued a number of 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 management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

1.5 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 2019 except the changes in accounting policies related to financial instruments and leases.

1.5.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss. In case, the Group makes an election to measure them at fair value through other comprehensive income, with no subsequent recycling to profit or loss.

Financial liabilities are classified and measured at amortised cost.

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

1.5.2 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

2. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 1.4 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			1 January 2020
	31 December 2019	The impacts of Financial reporting standards related to financial instruments TFRS 16		
Statement of financial position				
Assets				
Current assets				
Other current assets	20,051	-	(850)	19,201
Non-current assets				
Other non-current financial assets	-	462,227	-	462,227
Other long-term investments				
- Investment in related party	331,076	(331,076)	-	-
- Investment in other company	131,151	(131,151)	-	-
Property, plant and equipment	3,608,706	-	21,324	3,630,030
Liabilities				
Current liabilities				
Current portion of lease liability	-	-	9,232	9,232
Non-current liabilities				
Lease liability, net of current portion	-	-	11,242	11,242

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	The impacts of			
	31 December	Financial		1 January
	2019	reporting	standards related	2020
		to financial	TFRS 16	
		instruments		
Statement of financial position				
Assets				
Current assets				
Other current assets	20,024	-	(850)	19,174
Non-current assets				
Property, plant and equipment	3,606,852	-	21,324	3,628,176
Liabilities				
Current liabilities				
Current portion of lease liability	-	-	9,232	9,232
Non-current liabilities				
Lease liability, net of current portion	-	-	11,242	11,242

2.1 Financial instruments

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9			
		Fair value through other comprehensive income		Amortised cost	Total
Financial assets as at 1 January 2020					
Cash and cash equivalents	1,402,753	-	1,402,753	1,402,753	
Fixed deposits with financial institutions	1,752,848	-	1,752,848	1,752,848	
Trade and other receivables	147,764	-	147,764	147,764	
Other non-current financial assets					
- Investment in related party	331,076	331,076	-	331,076	
- Investment in other company	131,151	131,151	-	131,151	
Long-term loans to and interest receivables from related parties	1,795,264	-	1,795,264	1,795,264	
Total financial assets	5,560,856	462,227	5,098,629	5,560,856	

(Unit: Thousand Baht)

	Separate financial statements	
	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9
		Amortised cost
Financial assets as at 1 January 2020		
Cash and cash equivalents	329,604	329,604
Fixed deposits with financial institutions	1,725,000	1,725,000
Trade and other receivables	147,074	147,074
Total financial assets	2,201,678	2,201,678

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

2.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Thousand Baht) Consolidated / Separate financial statements
Operating lease commitments as at 31 December 2019	21,120
Less: Deferred interest expenses	(646)
Increase in lease liability due to TFRS 16 adoption as at 1 January 2020	<u>20,474</u>
Comprise of:	
Current lease liability	9,232
Non-current lease liability	11,242
	<u>20,474</u>

The adjustment of right-of-use asset due to TFRS 16 adoption as at 1 January 2020 is summarised below:

	(Unit: Thousand Baht) Consolidated / Separate financial statements
Right-of-use asset - Motor vehicle	<u>21,324</u>

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				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with associated companies</u>					
Interest income	7	8	-	-	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	5	18	5	18	Contract price
Marketing and promotion fees	1	6	1	6	Contract price
Advertising and reservation fees	2	3	2	3	Contract price

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with associated companies</u>					
Interest income	23	25	-	-	USD LIBOR and 0.92 to 2.05 percent per annum
<u>Transactions with related companies</u>					
Revenues from hotel operations	32	33	32	33	Normal business price
Management fees	22	57	22	57	Contract price
Marketing and promotion fees	6	18	6	18	Contract price
Advertising and reservation fees	9	11	9	11	Contract price

(Unaudited but reviewed)

The balances of the accounts between the Company and these related companies as at 30 September 2020 and 31 December 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<u>Trade receivables - related parties (Note 4)</u>				
Related companies				
Others	4,272	242	4,272	242
Total trade receivables - related parties	4,272	242	4,272	242
<u>Other receivables - related parties (Note 4)</u>				
Associated company				
Traders Yangon Company Limited	55	42	55	42
Related companies				
Others	1,182	5,282	1,182	5,282
Total other receivables - related parties	1,237	5,324	1,237	5,324
<u>Long-term loans to and interest receivables from related parties</u>				
Associated companies				
Non-interest bearing				
Traders Square Company Limited	42,935	40,689	-	-
	42,935	40,689	-	-
Interest bearing				
Shangri-La Yangon Company Limited	747,790	700,410	-	-
Traders Yangon Company Limited	521,367	488,505	-	-
Traders Square Company Limited	777,910	728,695	-	-
	2,047,067	1,917,610	-	-
Total	2,090,002	1,958,299	-	-
Less: Allowance for losses on loans	(171,166)	(163,035)	-	-
Total long-term loans to and interest receivables from related parties - net	1,918,836	1,795,264	-	-

The above loans-interest bearing carry interests at the rates of USD LIBOR and 0.92 to 2.05 percent per annum and are repayable on demand.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<u>Other payables - related parties (Note 9)</u>				
Related companies				
Shangri-La International Hotel Management Pte., Ltd.	40,154	-	39,281	-
Shangri-La International Hotel Management Limited	3,172	20,146	3,172	20,146
Shangri-La International Hotel Management BV	-	14,648	-	14,648
Others	831	682	11	241
Total other payables - related parties	<u>44,157</u>	<u>35,476</u>	<u>42,464</u>	<u>35,035</u>
<u>Short-term loans from related party</u>				
Subsidiary				
Hasfield Holdings Pte., Ltd.	-	-	477,387	454,970
Total short-term loans from related party	<u>-</u>	<u>-</u>	<u>477,387</u>	<u>454,970</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 September 2020
	Balance as at 1 January 2020	Increase during the period	Decrease during the period	Gain (loss) on exchange	
<u>Long-term loans to and interest receivables</u>					
<u>from related parties</u>					
Associated companies					
Non-interest bearing					
Traders Square Company Limited	40,689	-	-	2,246	42,935
Interest bearing					
Shangri-La Yangon Company Limited	700,410	8,671	-	38,709	747,790
Traders Yangon Company Limited	488,505	5,866	-	26,996	521,367
Traders Square Company Limited	728,695	8,944	-	40,271	777,910
Total	<u>1,958,299</u>	<u>23,481</u>	<u>-</u>	<u>108,222</u>	<u>2,090,002</u>
Less: Allowance for losses on loans	<u>(163,035)</u>	<u>-</u>	<u>-</u>	<u>(8,131)</u>	<u>(171,166)</u>
Total long-term loans to and interest receivables from related parties - net	<u>1,795,264</u>	<u>23,481</u>	<u>-</u>	<u>100,091</u>	<u>1,918,836</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				
	Balance as at 1 January 2020	Increase during the period	Decrease during the period	Loss on exchange	Balance as at 30 September 2020
<u>Short-term loan from related party</u>					
Subsidiary					
Hasfield Holdings Pte., Ltd.	454,970	-	-	22,417	477,387
Total short-term loan from related party	454,970	-	-	22,417	477,387

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2020 and 2019, 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>2020</u>	<u>2019</u>
Short-term employee benefits	11,244	15,172
Post-employment benefits	777	750
Total	12,021	15,922

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September	
	Consolidated / Separate financial statements	
	<u>2020</u>	<u>2019</u>
Short-term employee benefits	36,188	47,235
Post-employment benefits	2,423	2,573
Total	38,611	49,808

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 September	31 December	30 September	31 December
2020	2019	2020	2019	
	(Audited)		(Audited)	
<u>Trade receivables - related parties (Note 3)</u>				
Age on the basis of invoice date				
Less than 120 days	4,272	242	4,272	242
Total trade receivables - related parties	4,272	242	4,272	242
<u>Trade receivables - unrelated parties</u>				
Age on the basis of invoice date				
Less than 120 days	8,860	131,433	8,860	131,433
120 - 180 days	115	216	115	216
Over 180 days	6,521	-	6,521	-
Total	15,496	131,649	15,496	131,649
Less: Allowance for doubtful debts	(6,006)	(11)	(6,006)	(11)
Total trade receivables - unrelated parties, net	9,490	131,638	9,490	131,638
Total trade receivables, net	13,762	131,880	13,762	131,880
<u>Other receivables</u>				
Other receivables - related parties (Note 3)	1,237	5,324	1,237	5,324
Other receivables - unrelated parties	2,240	2,189	2,240	2,189
Interest receivables	1,261	8,371	1,065	7,681
Total other receivables	4,738	15,884	4,542	15,194
Total trade and other receivables - net	18,500	147,764	18,304	147,074

5. Investments in subsidiaries

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

Company's name	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding percentage		Cost	
	30 September	31 December	30 September	31 December	30 September	31 December
	2020	2019	2020	2019	2020	2019
			(Percent)	(Percent)	(Audited)	
Town Development Company Limited	Baht 1,303 million	Baht 1,303 million	100	100	1,303,000	1,303,000
Total investments in subsidiary					1,303,000	1,303,000

(Unaudited but reviewed)

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

Company's name	Nature of business	Country of incorporation	Paid-up capital		Percentage of shareholding	
			30 September 2020	31 December 2019	30 September 2020	31 December 2019
					(Percent)	(Percent)
<u>Subsidiaries held through Town Development Company Limited</u>						
TRR-Kerry Development Company Limited	Holding investment	Thailand	Baht 231 million	Baht 231 million	57.33	57.33
Apizaco Limited	Holding investment	Hong Kong	HKD 206 million	HKD 206 million	100.00	100.00
Hasfield Holdings Pte., Ltd.	Holding investment	Singapore	SGD 34 million	SGD 34 million	100.00	100.00
Traders Hotel and Resort Limited	Hotel business	Thailand	Baht 0.2 million	Baht 0.2 million	100.00	100.00
<u>Subsidiary held through Apizaco Limited</u>						
Zukerman Limited	Holding investment	British Virgin	USD 1	USD 1	100.00	100.00

6. Investments in associates

6.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
			(Percent)	(Percent)		(Audited)		(Audited)
<u>Associated companies (owned by Zukerman Limited)</u>								
Traders Yangon Company Limited	Hotel	Myanmar	23.53	23.53	28,289	26,809	-	-
Shangri-La Yangon Company Limited	Serviced apartments	Myanmar	22.22	22.22	16,722	15,847	-	-
Traders Square Company Limited	Commercial complex and office for rent	Myanmar	23.56	23.56	667	632	-	-
Total					45,678	43,288	-	-

During the current period, the Group has no share of profit/loss from investments in associates in the consolidated financial statements.

6.2 Summarised financial information of associates

Financial information of the associated companies is summarised below.

(Unit: Thousand Baht)

Company's name	Paid-up capital		Total assets		Total liabilities		Total revenues for the nine-month periods ended		Profit (loss) for the nine-month periods ended	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September		30 September	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Traders Yangon Company Limited	USD 3.6 million	USD 3.6 million	1,290,897	1,413,449	3,356,362	3,225,276	126,171	306,608	(162,564)	(110,743)
Shangri-La Yangon Company Limited	USD 2.0 million	USD 2.0 million	3,236,424	3,151,397	3,758,165	3,682,927	284,797	329,956	36,140	13,128
Traders Square Company Limited	USD 0.1 million	USD 0.1 million	3,686,126	3,556,250	4,196,100	3,979,565	257,642	248,490	(65,260)	(51,354)

6.3 Investment in associates with capital deficit

The Group recognised share of losses from investment in three associated companies, as listed below, until the value of the investments approached zero. Subsequent losses incurred by those associates have not been recognised in the Group's accounts since the Group has no obligations, whether legal or constructive, to make any payments on behalf of those associates. The amount of such unrecognised share of losses is set out below.

(Unit: Thousand Baht)

Company's name	Unrecognised share of losses		
	Share of profit (losses) for the nine-month period ended		Cumulative unrecognised share of losses as at
	30 September 2020	30 September 2020	31 December 2019
			(Audited)
Traders Yangon Company Limited	(38,251)	(528,011)	(489,760)
Shangri-La Yangon Company Limited	8,030	(123,141)	(131,171)
Traders Square Company Limited	(15,375)	(127,425)	(112,050)
Total	(45,596)	(778,577)	(732,981)

The financial information of associated companies

The financial information of these associated companies for the three-month and nine-month periods ended 30 September 2020 and 2019, which was included in the consolidated financial statements, was prepared by the associates' management. However, the Group's management believes that there would have been no significant difference to financial information if those financial information had been reviewed by auditors.

(Unaudited but reviewed)

During the current period, the Company additional purchased land with structure thereon with an unrelated parties, a total value of Baht 150 million. The Company has an objective to use the land for developing its new hotel.

9. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Trade payables - unrelated parties	18,758	61,545	18,758	61,545
Other payables - related parties (Note 3)	44,157	35,476	42,464	35,035
Other payables - unrelated parties	4,632	21,198	4,610	21,193
Payables for purchase of assets	7,410	20,046	7,410	20,046
Retention payables	5,459	7,691	5,459	7,691
Accrued expenses	31,649	122,554	30,778	121,075
Total trade and other payables	112,065	268,510	109,479	266,585

10. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Advance received from customers	69,310	138,359	69,310	138,359
Others	19,046	29,970	19,046	29,970
Total other current liabilities	88,356	168,329	88,356	168,329

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 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Interim corporate income tax charge	(146)	(30,607)	-	(28,761)
Deferred tax:				
Relating to origination and reversal of temporary differences	30,810	186	31,050	186
Income tax reported in the statements of comprehensive income	<u>30,664</u>	<u>(30,421)</u>	<u>31,050</u>	<u>(28,575)</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Interim corporate income tax charge	(800)	(116,452)	-	(111,091)
Adjustment in respect of income tax expense of previous year	-	55	-	55
Deferred tax:				
Relating to origination and reversal of temporary differences	46,833	2,810	54,594	2,810
Income tax reported in the statements of comprehensive income	<u>46,033</u>	<u>(113,587)</u>	<u>54,594</u>	<u>(108,226)</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>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit (loss) for the period (Thousand Baht)	(140,940)	153,363	(123,922)	114,453
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Earnings (loss) per share (Baht per share)	(1.08)	1.18	(0.95)	0.88
	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit (loss) for the period (Thousand Baht)	(168,522)	491,998	(217,413)	433,610
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Earnings (loss) per share (Baht per share)	(1.30)	3.78	(1.67)	3.34

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 2020 and 2019.

(Unit: Million Baht)

	For the three-month periods ended 30 September											
	Hotel business											
	Hotel in Bangkok		Hotel in Chiangmai		Holding Investment		Total segments		Adjustments and eliminations		Consolidated	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues												
External customers	66	450	21	110	-	-	87	560	-	-	87	560
Total revenues	66	450	21	110	-	-	87	560	-	-	87	560
Operating results												
Segment gross profit	(11)	291	1	70	-	-	(10)	361	-	-	(10)	361
Interest income	4	7	-	-	8	13	12	20	-	-	12	20
Other income (expenses)	1	4	-	1	3	(1)	4	4	-	-	4	4
Depreciation and amortisation expenses	(35)	(33)	(21)	(21)	-	-	(56)	(54)	-	-	(56)	(54)
Exchange gains (loss)	-	-	-	-	(28)	27	(28)	27	(11)	3	(39)	30
Finance income (Finance cost)	(11)	3	-	-	-	-	(11)	3	11	(3)	-	-
Profit (loss) before income tax	(112)	136	(43)	7	(15)	41	(170)	184	-	-	(170)	184
Income tax	32	(27)	-	(1)	(1)	(3)	31	(31)	-	-	31	(31)
Profit (loss) for the period	(80)	109	(43)	6	(16)	38	(139)	153	-	-	(139)	153

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Hotel business											
	Hotel in		Hotel in		Holding Investment		Total segments		Adjustments and		Consolidated	
	Bangkok		Chiangmai						eliminations			
<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
Revenues												
External customers	425	1,440	111	349	-	-	536	1,789	-	-	536	1,789
Total revenues	<u>425</u>	<u>1,440</u>	<u>111</u>	<u>349</u>	<u>-</u>	<u>-</u>	<u>536</u>	<u>1,789</u>	<u>-</u>	<u>-</u>	<u>536</u>	<u>1,789</u>
Operating results												
Segment gross profit	178	963	49	234	-	-	227	1,197	-	-	227	1,197
Interest income	16	23	-	-	33	41	49	64	-	-	49	64
Other income	5	13	1	2	3	11	9	26	-	-	9	26
Depreciation and amortisation expenses	(105)	(100)	(64)	(61)	-	-	(169)	(161)	-	-	(169)	(161)
Exchange gains	-	-	-	-	22	14	22	14	(22)	28	-	42
Finance income (finance cost)	(22)	28	-	-	-	-	(22)	28	22	(28)	-	-
Profit (loss) before income tax	<u>(175)</u>	<u>499</u>	<u>(97)</u>	<u>43</u>	<u>59</u>	<u>66</u>	<u>(213)</u>	<u>608</u>	<u>-</u>	<u>-</u>	<u>(213)</u>	<u>608</u>
Income tax	55	(100)	-	(8)	(9)	(6)	46	(114)	-	-	46	(114)
Profit (loss) for the period	<u>(120)</u>	<u>399</u>	<u>(97)</u>	<u>35</u>	<u>50</u>	<u>60</u>	<u>(167)</u>	<u>494</u>	<u>-</u>	<u>-</u>	<u>(167)</u>	<u>494</u>

16. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Final dividends for 2018	Annual General Meeting of the shareholders on 24 April 2019	292.5	2.25
Total dividends for 2019		<u>292.5</u>	<u>2.25</u>
Final interim dividends for 2019	The Board of Directors' Meeting on 29 April 2020	292.5	2.25
Total dividends for 2020		<u>292.5</u>	<u>2.25</u>

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

As at 30 September 2020, the Company had capital commitments of approximately Baht 65 million (31 December 2019: Baht 211 million), relating to the construction, renovation of the hotel building and acquisition of equipment.

17.2 Service commitments

As at 30 September 2020, future minimum payments required under non-cancellable service contracts of approximately Baht 1 million (31 December 2019: Baht 1 million) which are payable up to 1 year.

17.3 Guarantees

- (1) As at 30 September 2020, there were outstanding bank guarantees of approximately Baht 12 million (31 December 2019: Baht 12 million) issued by a bank on behalf of the Company in respect of electricity usage.
- (2) The Company entered into the Counter Indemnity Agreement with the parent company to indemnify the contingent liability relating to loan facilities of its two associated companies, Traders Yangon Company Limited and Shangri-La Yangon Company Limited, amounting to USD 11.77 million and USD 6.67 million, respectively, which is loan facilities according to the subsidiary's proportionate interest in these associates.

18. Foreign currency risk

The balances of financial assets and liabilities denominated in foreign currencies of the Group as at 30 September 2020 and 31 December 2019 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 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit)	
USD	71	70	-	-	31.6579	30.1540

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 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit)	
USD	-	-	15	15	31.6579	30.1540

19. Fair value of financial instruments

As at 30 September 2020 and 31 December 2019, the subsidiary had the following assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 30 September 2020			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income				
Investment in related party	270,811	-	-	270,811
Investment in other company	-	-	131,151	131,151

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income				
Investment in related party	331,076	-	-	331,076

Valuation techniques and inputs to Level 3 valuation

- The fair value of investment in other company has been determined by analysis and considering change in the invested company's financial position and operating performance, including other several factors and elected to apply temporary relief measures as discussed in Note 1.4 to the interim financial statements.

During the current period, there was no transfer within the fair value hierarchy.

20. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 November 2020.

To : Managing Director
The Stock Exchange of Thailand

Date : November 9, 2020

Re : Management Discussion and Analysis for the period ended September 30, 2020

The Board of Directors is pleased to announce the Company's results of operation for the period ended September 30, 2020 as follows: -

Net profit after corporate income tax for the three-month period ended September 30, 2020 and 2019:

(Baht in million)	<u>2020</u>	<u>2019</u>	<u>Change</u>
The Company	(123.92)	114.45	(208.27%)
Consolidated	(140.94)	153.36	(191.90%)

The Company:

The Company's profit before corporate income tax for three-month period ended September 30, 2020 decreased by Baht 298.00 million against the corresponding period of last year. The decrease in the Company's profit was mainly attributed to the decrease in profit before income tax of Shangri-La Hotel, Bangkok ("SLBK") by Baht 247.26 million and decrease in profit of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 50.74 million.

Revenues from hotel operations of SLBK decreased by Baht 385.10 million from Baht 450.61 million to Baht 65.51 million mainly due to the decrease in all type of revenues including room, food & beverages and other revenue resulting from lower occupancy due to COVID-19 pandemic situation. Gross Profit before expenses decreased by Baht 302.51 million. Selling and administrative expenses decreased by Baht 15.90 million and Baht 59.94 million, respectively. Depreciation expense increased by Baht 0.8 million against last year. Finance income decreased by Baht 13.68 million mainly due to weakening of Thai Baht currency against US Dollar. As a result, the profit before corporate income tax decreased by Baht 247.26 million from profit of Baht 135.58 million to loss of Baht 111.68 million.

Profit before corporate income tax of SLCM decreased by Baht 50.74 million as compared to 2019, mainly attributed to lower revenues from hotel operations by Baht 87.69 million from Baht 109.03 million to Baht 21.34 million as a result of lower room occupancy and average room rates in 2020 due to COVID-19 pandemic situation. Gross Profit before expenses decreased by Baht 68.82 million. Selling and administrative expenses decreased by Baht 2.61 million and Baht 17.03 million, respectively. Depreciation expenses increased by Baht 0.90 million against last year. As a result, the profit before corporate income tax decreased by Baht 50.74 million from profit of Baht 7.44 million to loss of Baht 43.30 million.

Consequently, the total profit of SLBK and SLCM before corporate income tax decreased by Baht 298.00 million from profit of Baht 143.03 million to loss of Baht 154.97 million. The corporate income tax decreased by Baht 59.63 million as compared to 2019 due to loss before income tax in 2020. The Company recorded a net loss after tax of Baht 123.92 million for the three-month period ended September 30, 2020 compared to profit of Baht 114.45 million last year (decreased by 208.27%).

Consolidated:

The consolidated profit before corporate income tax for the three-month period ended September 30, 2020 decreased by Baht 354.16 million against last year. The decrease in consolidated profit before corporate income tax was due to decrease in the Company's profit before corporate income tax of Baht 298.00 million and decrease in profit from subsidiaries by Baht 56.16 million. The decrease in profit of subsidiaries was largely due to the decrease in exchange gain from loan to a related company. As a result, the corporate income tax decreased by Baht 61.09 million mainly as a result of loss from the Company. Overall, the consolidated net profit after tax attributable to the equity holders of the Company for the three-month period ended September 30, 2020 decreased by Baht 294.30 million against last year (decreased by 191.90%).

Net profit after corporate income tax for the nine-month period ended September 30, 2020 and 2019:

(Baht in million)	<u>2020</u>	<u>2019</u>	<u>Change</u>
The Company	(217.41)	433.61	(150.14%)
Consolidated	(168.52)	492.00	(134.25%)

The Company:

The Company's profit before corporate income tax for the nine-month period ended September 30, 2020 decreased by Baht 813.84 million against the corresponding period of last year. The decrease in the Company's profit was mainly attributed to the decrease in profit before income tax of Shangri-La Hotel, Bangkok ("SLBK") by Baht 673.70 million and decrease in profit of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 140.14 million.

Revenues from hotel operations of SLBK decreased by Baht 1,015.54 million from Baht 1,440.18 million to Baht 424.64 million mainly due to the decrease in all type of revenues including room, food & beverages and other revenue resulting from lower occupancy due to COVID-19 pandemic situation. Gross Profit before expenses decreased by Baht 784.96 million. Selling and administrative expenses decreased by Baht 45.10 million and Baht 136.32 million, respectively. Depreciation expense increased by Baht 4.27 million against last year. Finance income decreased by Baht 50.33 million mainly due to weakening of Thai Baht currency against US Dollar. As a result, the profit before corporate income tax decreased by Baht 673.70 million from profit of Baht 498.69 million to loss of Baht 175.01 million.

Profit before corporate income tax of SLCM decreased by Baht 140.14 million as compared to 2019, mainly attributed to lower revenues from hotel operations by Baht 236.70 million from Baht 348.34 million to Baht 111.64 million as a result of lower room occupancy and average room rates in 2020 due to COVID-19 pandemic situation. Gross Profit before expenses decreased by Baht 185.54 million. Selling and administrative expenses decreased by Baht 8.49 million and Baht 40.76 million, respectively. Depreciation expenses increased by Baht 3.16 million against last year. As a result, the profit before corporate income tax decreased by Baht 140.14 million from profit of Baht 43.15 million to loss of Baht 96.99 million.

Consequently, the total profit of SLBK and SLCM before corporate income tax decreased by Baht 813.85 million from profit of Baht 541.84 million to loss of Baht 272.01 million. The corporate income tax decreased by Baht 162.82 million as compared to 2019 due to lower profit before income tax in 2020. The Company recorded a net loss after tax of Baht 217.41 million for the nine-month period ended September 30, 2020 compared to profit of Baht 433.61 million last year (decreased by 150.14%).

Consolidated:

The consolidated profit before corporate income tax for the nine-month period ended September 30, 2020 decreased by Baht 820.95 million against last year. The decrease in consolidated profit before corporate income tax was due to decrease in the Company's profit before corporate income tax of Baht 813.84 million and decrease in profit from subsidiaries by Baht 7.11 million. The decrease in profit of subsidiaries was largely due to the decrease in exchange gain from loan to a related company. As a result, the corporate income tax decreased by Baht 159.62 million mainly as a result of loss from the Company. Overall, the consolidated net profit after tax attributable to the equity holders of the Company for the nine-month period ended September 30, 2020 decreased by Baht 660.52 million against last year (decreased by 134.25%).

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	2020	2019	2020	2019
Profit (loss) attributable to equity holders of the Company *	(140,940)	153,363	(168,522)	491,998
EPS (baht)	(1.08)	1.18	(1.30)	3.78

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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