

# SHANGRI-LA GROUP

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## **Shangri-La Asia Limited**

(Incorporated in Bermuda with limited liability)

website: [www.ir.shangri-la.com](http://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, 21 February 2022

*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  
Report and consolidated financial statements  
31 December 2021

## **Independent Auditor's Report**

To the Shareholders of Shangri-La Hotel Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Shangri-La Hotel Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Shangri-La Hotel Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shangri-La Hotel Public Company Limited and its subsidiaries and of Shangri-La Hotel Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Emphasis of Matters**

I draw attention to Note 1.2 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 opinion is not qualified in respect of this matter.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for the matter is described below.

### **Net realisable value of long-term loans to and interest receivables from related parties**

As disclosed in Note 6 to financial statements, as of 31 December 2021 the Group had long-term loans to and interest receivables from related parties (three associated companies) which is significant to the consolidated statement of financial position. I have paid particular attention to the determination of the net realisable value of loans to and interest receivables from those associates, since these considerations required the exercise of significant management judgement with respect to projections of the future operating performance of the associates, and the determination of an appropriate discount rate and key assumptions.

I gained an understanding and assessed the management's identification of the cash-generating units of the associated companies, the assumptions of the future cash flow projections of the associated companies which were estimated by an independent appraiser and management and the process of obtaining such figures. I compared the assumptions with external and internal source of information, also compared previous cash flow projections with actual operating results in order to assess the exercise of management judgement in preparing the cash flow projections of the associated companies and made a comparison between the long-term growth rate and economic and industry forecast including the assessment of the discount rate based on average cost of capital and other data which used by comparable organisations in the same industry.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Chonlaros Suntiasvaraporn  
Certified Public Accountant (Thailand) No. 4523

EY Office Limited  
Bangkok: 21 February 2022



Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	1,352,193,219	1,162,612,500	52,947,131	59,730,730
Fixed deposits with financial institutions		957,600,000	1,152,600,000	935,000,000	1,130,000,000
Trade and other receivables	8	28,896,803	17,978,578	28,210,454	17,780,790
Inventories	9	20,296,652	24,834,594	20,296,652	24,834,594
Other current assets		18,341,991	21,999,625	18,341,815	21,986,358
<b>Total current assets</b>		<b>2,377,328,665</b>	<b>2,380,025,297</b>	<b>1,054,796,052</b>	<b>1,254,332,472</b>
<b>Non-current assets</b>					
Other non-current financial assets	10	466,102,864	412,351,240	-	-
Investments in subsidiaries	11	-	-	1,303,000,000	1,303,000,000
Investments in associates	12	-	-	-	-
Long-term loans to and interest receivables					
from related parties	6, 12	1,113,630,436	1,157,478,202	-	-
Property, plant and equipment	13	3,416,582,286	3,600,867,111	3,414,728,672	3,599,013,497
Intangible assets		750,015	3,211,141	750,015	3,211,141
Deferred tax assets	20	199,660,874	120,445,358	199,507,649	104,042,677
Other non-current assets		3,395,990	4,294,714	3,395,990	4,294,714
<b>Total non-current assets</b>		<b>5,200,122,465</b>	<b>5,298,647,766</b>	<b>4,921,382,326</b>	<b>5,013,562,029</b>
<b>Total assets</b>		<b>7,577,451,130</b>	<b>7,678,673,063</b>	<b>5,976,178,378</b>	<b>6,267,894,501</b>

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 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	14	99,652,227	97,713,021	98,613,189	95,784,067
Short-term loans from related party	6	-	-	503,893,500	453,102,000
Income tax payable		2,184,886	2,111,302	-	-
Other current liabilities	15	95,380,267	89,095,897	95,380,177	89,095,897
<b>Total current liabilities</b>		<b>197,217,380</b>	<b>188,920,220</b>	<b>697,886,866</b>	<b>637,981,964</b>
<b>Non-current liabilities</b>					
Provision for long-term employee benefits	16	96,325,905	79,586,749	96,325,905	79,586,749
Deferred tax liabilities	20	8,603,948	7,571,029	-	-
Other non-current liabilities		24,137,768	21,589,261	24,137,768	21,589,261
<b>Total non-current liabilities</b>		<b>129,067,621</b>	<b>108,747,039</b>	<b>120,463,673</b>	<b>101,176,010</b>
<b>Total liabilities</b>		<b>326,285,001</b>	<b>297,667,259</b>	<b>818,350,539</b>	<b>739,157,974</b>
<b>Shareholders' equity</b>					
Share capital					
Registered, issued and fully paid up					
130,000,000 ordinary shares of Baht 10 each		1,300,000,000	1,300,000,000	1,300,000,000	1,300,000,000
Share premium		1,590,400,000	1,590,400,000	1,590,400,000	1,590,400,000
Retained earnings					
Appropriated-statutory reserve	17	130,000,000	130,000,000	130,000,000	130,000,000
Unappropriated		3,362,751,288	3,842,243,175	2,137,427,839	2,508,336,527
Other components of shareholders' equity		754,369,021	456,001,836	-	-
Equity attributable to owners of the Company		7,137,520,309	7,318,645,011	5,157,827,839	5,528,736,527
Non-controlling interests of the subsidiary	11	113,645,820	62,360,793	-	-
<b>Total shareholders' equity</b>		<b>7,251,166,129</b>	<b>7,381,005,804</b>	<b>5,157,827,839</b>	<b>5,528,736,527</b>
<b>Total liabilities and shareholders' equity</b>		<b>7,577,451,130</b>	<b>7,678,673,063</b>	<b>5,976,178,378</b>	<b>6,267,894,501</b>
		-	-	-	-

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

Directors

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenues from hotel operations		334,507,828	651,656,818	334,507,828	651,656,818
Other income		21,366,005	11,665,795	9,644,245	8,468,335
<b>Total revenues</b>		<b>355,873,833</b>	<b>663,322,613</b>	<b>344,152,073</b>	<b>660,125,153</b>
<b>Expenses</b>					
Cost of hotel operations		251,838,632	394,992,441	251,838,632	394,992,441
Selling expenses		49,803,533	90,385,364	49,803,533	90,385,364
Administrative expenses		253,094,036	349,552,885	251,747,669	348,348,325
Depreciation and amortisation expenses		201,520,425	223,017,004	201,520,425	223,017,004
Exchange losses		26,239,356	21,813,295	-	-
Allowance for expected credit losses of trade receivables (reversal)	8	(837,824)	4,305,782	(837,824)	4,305,782
Impairment losses on financial assets	6, 12	158,071,360	469,290,118	-	-
<b>Total expenses</b>		<b>939,729,518</b>	<b>1,553,356,889</b>	<b>754,072,435</b>	<b>1,061,048,916</b>
<b>Operating loss</b>		<b>(583,855,685)</b>	<b>(890,034,276)</b>	<b>(409,920,362)</b>	<b>(400,923,763)</b>
Share of losses from investments in associates	6, 12	(27,711,562)	(218,480,703)	-	-
Finance income	18	29,034,062	50,582,470	6,417,784	20,107,066
Finance cost	18	-	(197,573)	(50,791,500)	(197,573)
<b>Loss before income tax</b>		<b>(582,533,185)</b>	<b>(1,058,130,082)</b>	<b>(454,294,078)</b>	<b>(381,014,270)</b>
Income tax benefits	20	96,169,233	76,238,646	93,049,056	85,556,278
<b>Loss for the year</b>		<b>(486,363,952)</b>	<b>(981,891,436)</b>	<b>(361,245,022)</b>	<b>(295,457,992)</b>

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

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Other comprehensive income:</b>					
<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		285,519,747	64,052,872	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods		285,519,747	64,052,872	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Actuarial loss - net of income tax		(9,663,666)	-	(9,663,666)	-
Gain (loss) on changes in value of					
equity investments designated at fair value					
through other comprehensive income - net of income tax	10	80,668,196	(50,050,779)	-	-
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		71,004,530	(50,050,779)	(9,663,666)	-
<b>Total other comprehensive income for the year</b>		<b>356,524,277</b>	<b>14,002,093</b>	<b>(9,663,666)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(129,839,675)</b>	<b>(967,889,343)</b>	<b>(370,908,688)</b>	<b>(295,457,992)</b>
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		(492,809,632)	(983,113,874)	(361,245,022)	(295,457,992)
Non-controlling interests of the subsidiary	11	6,445,680	1,222,438		
		(486,363,952)	(981,891,436)		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(181,124,702)	(969,111,781)	(370,908,688)	(295,457,992)
Non-controlling interests of the subsidiary	11	51,285,027	1,222,438		
		(129,839,675)	(967,889,343)		
<b>Earnings per share</b>					
Basic earnings (loss) per share	21				
Loss attributable to equity holders of the Company		(3.79)	(7.56)	(2.78)	(2.27)

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

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2021

(Unit: Baht)

<b>Consolidated financial statements</b>											
Equity attributable to owners of the Company											
				Other components of shareholders' equity							
				Other comprehensive income							
				Exchange							
				differences on							
				translation of							
				financial							
				statements in		Fair value reserve -		Total other		Total equity	
				foreign currency		net of income tax		components of		attributable to	
				equity		equity		owners of		to non-controlling	
				the Company		the Company		the subsidiary		interests of	
				the subsidiary		equity		equity		Total	
				shareholders'		shareholders'		shareholders'		shareholders'	
				equity		equity		equity		equity	
				Total other		Total equity		Equity attributable		Total	
				components of		owners of		to non-controlling		shareholders'	
				shareholders'		the Company		the subsidiary		equity	
				equity		equity		equity		equity	
				Total other		Total equity		Equity attributable		Total	
				components of		owners of		to non-controlling		shareholders'	
				shareholders'		the Company		the subsidiary		equity	
				equity		equity		equity		equity	
				Total other		Total equity		Equity attributable		Total	
				components of		owners of		to non-controlling		shareholders'	
				shareholders'		the Company		the subsidiary		equity	
				equity		equity		equity		equity	
				Total other		Total equity		Equity attributable		Total	
				components of		owners of		to non-controlling		shareholders'	
				shareholders'		the Company		the subsidiary		equity	
				equity		equity		equity		equity	
				Total other		Total equity		Equity attributable		Total	
				components of		owners of		to non-controlling		shareholders'	
				shareholders'		the Company		the subsidiary		equity	
				equity		equity		equity		equity	
				Total other		Total equity		Equity attributable		Total	
				components of		owners of		to non-controlling		shareholders'	
				shareholders'		the Company		the subsidiary		equity	
				equity		equity		equity		equity	
<b>Balance as at 1 January 2020</b>	1,300,000,000	1,590,400,000	130,000,000	5,117,857,049	435,085,386	6,914,357	441,999,743	8,580,256,792	61,138,355	8,641,395,147	
Profit or loss for the year	-	-	-	(983,113,874)	-	-	-	(983,113,874)	1,222,438	(981,891,436)	
Other comprehensive income for the year	-	-	-	-	64,052,872	(50,050,779)	14,002,093	14,002,093	-	14,002,093	
Total comprehensive income for the year	-	-	-	(983,113,874)	64,052,872	(50,050,779)	14,002,093	(969,111,781)	1,222,438	(967,889,343)	
Dividend paid (Note 24)	-	-	-	(292,500,000)	-	-	-	(292,500,000)	-	(292,500,000)	
<b>Balance as at 31 December 2020</b>	<u>1,300,000,000</u>	<u>1,590,400,000</u>	<u>130,000,000</u>	<u>3,842,243,175</u>	<u>499,138,258</u>	<u>(43,136,422)</u>	<u>456,001,836</u>	<u>7,318,645,011</u>	<u>62,360,793</u>	<u>7,381,005,804</u>	
<b>Balance as at 1 January 2021</b>	1,300,000,000	1,590,400,000	130,000,000	3,842,243,175	499,138,258	(43,136,422)	456,001,836	7,318,645,011	62,360,793	7,381,005,804	
Profit or loss for the year	-	-	-	(492,809,632)	-	-	-	(492,809,632)	6,445,680	(486,363,952)	
Other comprehensive income for the year	-	-	-	(9,663,666)	285,519,747	35,828,849	321,348,596	311,684,930	44,839,347	356,524,277	
Total comprehensive income for the year	-	-	-	(502,473,298)	285,519,747	35,828,849	321,348,596	(181,124,702)	51,285,027	(129,839,675)	
Transfer gain on changes in fair value of equity instruments sold to retained earnings	-	-	-	22,981,411	-	(22,981,411)	(22,981,411)	-	-	-	
<b>Balance as at 31 December 2021</b>	<u>1,300,000,000</u>	<u>1,590,400,000</u>	<u>130,000,000</u>	<u>3,362,751,288</u>	<u>784,658,005</u>	<u>(30,288,984)</u>	<u>754,369,021</u>	<u>7,137,520,309</u>	<u>113,645,820</u>	<u>7,251,166,129</u>	

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

**Shangri-La Hotel Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity (continued)**

**For the year ended 31 December 2021**

(Unit: Baht)

	<b>Separate financial statements</b>				Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		
			Appropriated	Unappropriated	
<b>Balance as at 1 January 2020</b>	1,300,000,000	1,590,400,000	130,000,000	3,096,294,519	6,116,694,519
Total comprehensive income for the year	-	-	-	(295,457,992)	(295,457,992)
Dividend paid (Note 24)	-	-	-	(292,500,000)	(292,500,000)
<b>Balance as at 31 December 2020</b>	<u>1,300,000,000</u>	<u>1,590,400,000</u>	<u>130,000,000</u>	<u>2,508,336,527</u>	<u>5,528,736,527</u>
					-
<b>Balance as at 1 January 2021</b>	1,300,000,000	1,590,400,000	130,000,000	2,508,336,527	5,528,736,527
Loss for the year				(361,245,022)	(361,245,022)
Other comprehensive income for the year				(9,663,666)	(9,663,666)
Total comprehensive income for the year	-	-	-	(370,908,688)	(370,908,688)
<b>Balance as at 31 December 2021</b>	<u>1,300,000,000</u>	<u>1,590,400,000</u>	<u>130,000,000</u>	<u>2,137,427,839</u>	<u>5,157,827,839</u>

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

**Shangri-La Hotel Public Company Limited and its subsidiaries**

**Cash flow statement**

**For the year ended 31 December 2021**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>				
Loss before tax	(582,533,185)	(1,058,130,082)	(454,294,078)	(381,014,270)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation expenses	201,520,425	223,017,004	201,520,425	223,017,004
Allowance for expected credit loss of trade receivables (reversal)	(837,824)	4,305,782	(837,824)	4,305,782
Reduction of inventory to net realisable value (reversal)	298,737	(81,335)	298,737	(81,335)
Impairment losses on financial assets	158,071,360	469,290,118	-	-
Share of losses from investments in associates	27,711,562	218,480,703	-	-
Gain on disposals/write-off of machinery, equipment and motor vehicle	(277,632)	(327,286)	(277,632)	(327,286)
Gain from termination of lease contract	-	(145,261)	-	(145,261)
Provision for long-term employee benefits	7,409,471	7,047,345	7,409,471	7,047,345
Unrealised loss (gain) on exchange	-	-	50,791,500	(1,867,500)
Dividend income	(11,721,760)	(3,197,460)	-	-
Finance income	(29,034,062)	(50,582,470)	(6,417,784)	(18,239,566)
Finance cost	-	197,573	-	197,573
Loss from operating activities before changes in operating assets and liabilities	(229,392,908)	(190,125,369)	(201,807,185)	(167,107,514)
Operating assets (increase) decrease				
Trade and other receivables	(10,323,451)	119,189,925	(10,323,451)	119,189,925
Inventories	4,239,205	1,832,828	4,239,205	1,832,828
Other current assets	5,904,206	(355,071)	5,891,115	(370,681)
Other non-current assets	898,724	4,516,495	898,724	4,516,495
Operating liabilities increase (decrease)				
Trade and other payables	1,709,941	(170,796,492)	2,599,857	(170,800,842)
Other current liabilities	6,284,370	(79,232,885)	6,284,280	(79,232,885)
Provision for long-term employee benefits	(2,749,897)	(17,074,107)	(2,749,897)	(17,074,107)
Other non-current liabilities	2,548,507	(654,226)	2,548,507	(654,226)
Cash flows used in operating activities	(220,881,303)	(332,698,902)	(192,418,845)	(309,701,007)
Cash paid for corporate income tax	(8,746,608)	(88,743,408)	(2,246,572)	(86,310,161)
<b>Net cash flows used in operating activities</b>	<b>(229,627,911)</b>	<b>(421,442,310)</b>	<b>(194,665,417)</b>	<b>(396,011,168)</b>

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

Shangri-La Hotel Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2021

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Cash flows from investing activities</b>				
Decrease in fixed deposits with financial institutions	195,000,000	600,248,106	195,000,000	595,000,000
Cash received from interest income	10,177,284	35,572,700	7,149,395	24,037,435
Dividend income	11,721,760	3,197,460	-	-
Proceeds from sales of other non-current financial assets	87,778,060	-	-	-
Acquisitions of property, plant and equipment	(14,458,075)	(198,015,691)	(14,458,075)	(198,015,691)
Acquisitions of intangible assets	(98,100)	(144,200)	(98,100)	(144,200)
Proceeds from disposals of machinery, equipment and motor vehicle	288,598	1,557,336	288,598	1,557,336
<b>Net cash flows from investing activities</b>	<u>290,409,527</u>	<u>442,415,711</u>	<u>187,881,818</u>	<u>422,434,880</u>
<b>Cash flows from financing activities</b>				
Cash paid for lease liability	-	(3,599,105)	-	(3,599,105)
Interest paid	-	(197,573)	-	(197,573)
Dividend paid	-	(292,500,000)	-	(292,500,000)
<b>Net cash flows used in financing activities</b>	<u>-</u>	<u>(296,296,678)</u>	<u>-</u>	<u>(296,296,678)</u>
<b>Increase in translation adjustments</b>	<u>29,078,534</u>	<u>19,105,380</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>89,860,150</u>	<u>(256,217,897)</u>	<u>(6,783,599)</u>	<u>(269,872,966)</u>
Effects of exchange rate changes on cash and cash equivalents	99,720,569	16,077,466	-	-
Cash and cash equivalents at beginning of year	<u>1,162,612,500</u>	<u>1,402,752,931</u>	<u>59,730,730</u>	<u>329,603,696</u>
<b>Cash and cash equivalents at end of year</b>	<u>1,352,193,219</u>	<u>1,162,612,500</u>	<u>52,947,131</u>	<u>59,730,730</u>
	-	-	-	-

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



## **Shangri-La Hotel Public Company Limited and its subsidiaries**

### **Notes to consolidated financial statements**

**For the year ended 31 December 2021**

#### **1. General information**

##### **1.1 General information of the Company**

Shangri-La Hotel Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Shangri-La Asia Limited, which was incorporated in Bermuda. The Company is principally engaged in hotel operations in Bangkok and Chiang Mai provinces. The registered office of the Company is at No. 89, Soi Wat Suan Plu, Charoenkrung Road, Bangrak, Bangrak, Bangkok.

##### **1.2 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.

#### **2. Basis of preparation**

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Shangri-La Hotel Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2021</u>	<u>2020</u>
			(Percent)	(Percent)
<b><u>Subsidiary held directly by the Company</u></b>				
Town Development Company Limited	Holding investment	Thailand	100.00	100.00
<b><u>Subsidiaries held through its subsidiaries</u></b>				
Apizaco Limited	Holding investment	Hong Kong	100.00	100.00
Hasfield Holdings Pte., Ltd.	Dormant	Singapore	100.00	100.00
Zukerman Limited	Holding investment	British Virgin	100.00	100.00
TRR-Kerry Development Company Limited	Holding investment	Thailand	57.33	57.33
Traders Hotel and Resort Limited	Dormant	Thailand	100.00	100.00

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, 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.

#### **3.2 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.

### **4. Significant accounting policies**

#### **4.1 Revenue and expense recognition**

##### *Revenues from hotel and restaurant operations*

Revenues from hotel and restaurant operations mainly comprise of room sales, food and beverage sales and revenues from auxiliary activities, and represent the invoiced value, excluding value added tax, of goods delivered and services rendered after deducting discounts and service charges.

### *Interest income*

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

### *Finance cost*

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

## **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

## **4.3 Inventories**

Inventories are valued at the lower of cost (under the weighted average method) and net realisable value.

## **4.4 Investments in associates**

Investments in associates are accounted for in the consolidated financial statements using the equity method.

Interests in associates are the carrying amount of the investments in associates determined using the equity method together with any long-term interests that, in substance, form part of the entity's net investments in associates such as long-term loans to and interest receivables from associates for which the settlement is neither planned nor likely to occur in the foreseeable future.

When the Group's share of losses exceeds its interests in associates, the carrying amount of the interests, including long-term loans to and interest receivables from associates, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation, whether legal or constructive, to make payments on behalf of those associates.

#### **4.5 Investments in subsidiaries**

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

#### **4.6 Property, plant and equipment/Depreciation**

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings	-	5 - 40 years
Machinery and building equipment	-	10 - 15 years
Furniture, fixtures and equipment	-	5 - 20 years
Computer	-	3 - 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

#### **4.7 Intangible assets**

Intangible assets are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The useful lives of intangible asset, computer software are 3 and 5 years.

#### **4.8 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of operations of the Company.

#### **4.9 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.10 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

#### **4.11 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits and other long-term employee benefits***

###### *Defined contribution plans*

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

###### *Defined benefit plans and other long-term employee benefits*

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treat these severance payment obligations as a defined benefit plan. In addition, the Group provide other long-term employee benefit plan, namely long service awards.

The obligation under the defined benefit plan and other long-term employee benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

#### **4.12 Provisions**

Provisions are recognised when the Group have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.13 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.14 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

##### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition 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 at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### ***Financial assets designated at FVOCI (equity instruments)***

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Regular way purchases and sales of financial assets**

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date on which the Group commits to purchase or sell the asset.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **4.15 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Net realisable value of long-term loans to and interest receivables from related parties**

The Group had paid particular attention to the determination of the net realisable value of loans to and interest receivables from those associates, since these considerations required the exercise of significant management judgement with respect to projections of the future operating performance of the associates, and the determination of an appropriate discount rate and key assumptions.

### **Property, plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **Post-employment benefits under defined benefit plans and other long-term employee benefits**

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## 6. Related party transactions

During the years, 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)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<u>Transactions with associated companies</u>					
Interest income	19	21	-	-	USD LIBOR and 0.92 to 2.05 percent per annum
<u>Transactions with related companies</u>					
Revenue from hotel operations	41	42	41	42	Normal business price
Management fees	18	27	18	27	Contract price
Marketing and promotion fees	2	7	2	7	Contract price
Advertising and reservation fees	9	9	9	9	Contract price
Training fees	2	1	2	1	Contract price

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b><u>Trade receivables - related parties (Note 8)</u></b>				
<b>Related companies</b>				
Others	1,079	855	1,079	855
Total trade receivables - related parties	<u>1,079</u>	<u>855</u>	<u>1,079</u>	<u>855</u>
<b><u>Other receivables - related parties (Note 8)</u></b>				
<b>Associated company</b>				
Traders Yangon Company Limited	34	55	34	55
<b>Related companies</b>				
Others	5,372	1,330	5,372	1,330
Total other receivables - related parties	<u>5,406</u>	<u>1,385</u>	<u>5,406</u>	<u>1,385</u>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b><u>Long-term loans to and interest receivables</u></b>				
<b><u>from related parties</u></b>				
<b>Associated companies</b>				
<b>Non-interest bearing</b>				
Traders Square Company Limited	45,301	40,716	-	-
	<u>45,301</u>	<u>40,716</u>	<u>-</u>	<u>-</u>
<b>Interest bearing</b>				
Traders Yangon Company Limited	543,879	488,827	-	-
Shangri-La Yangon Company Limited	803,512	711,915	-	-
Traders Square Company Limited	830,296	738,576	-	-
	<u>2,177,687</u>	<u>1,939,318</u>	<u>-</u>	<u>-</u>
Total	2,222,988	1,980,034	-	-
Less: Allowance for impairment losses on financial assets (Note 12)	(847,071)	(612,848)	-	-
Total	<u>1,375,917</u>	<u>1,367,186</u>	<u>-</u>	<u>-</u>
Less: Share of losses from investments in associates (Note 12)	(262,287)	(209,708)	-	-
Total long-term loans to and interest receivables from related parties - net	<u>1,113,630</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 as described in Note 12.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b><u>Other payables - related parties (Note 14)</u></b>				
<b>Related companies</b>				
Shangri-La International Hotel Management Pte., Ltd.	22,182	22,897	22,103	22,897
Shangri-La International Hotel Management Limited	2,739	2,991	2,739	2,991
Shangri-La International Hotel Management BV	-	-	-	-
Other	92	975	92	5
Total other payables - related parties	<u>25,013</u>	<u>26,863</u>	<u>24,934</u>	<u>25,893</u>

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

Hasfield Holdings Pte., Ltd.	-	-	503,894	453,102
Total short-term loans from related party	<u>-</u>	<u>-</u>	<u>503,894</u>	<u>453,102</u>

The above loans are repayable on demand and no interest bearing.

During the current year, movements of loans to and interest receivables from related parties and loans from related party were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance	Increase	Decrease	Balance
	as at 1 January 2021	during the year	during the year	as at 31 December 2021
<b><u>Long-term loans to and interest receivables</u></b>				
<b><u>from related parties</u></b>				
<b>Associated companies</b>				
<b>Non-interest bearing</b>				
Traders Square Company Limited	40,716	-	-	45,301
<b>Interest bearing</b>				
Traders Yangon Company Limited	488,827	-	-	543,879
Shangri-La Yangon Company Limited	711,915	10,928	-	803,512
Traders Square Company Limited	738,576	8,172	-	830,296
Total	1,980,034	19,100	-	2,222,988
Less: Allowance for impairment losses on financial assets	(612,848)	(158,071)	-	(847,071)
Total	1,367,186	(138,971)	-	1,375,917
Less: Share of losses from investments in associates (Note 12)	(209,708)	(27,711)	-	(262,287)
Total long-term loans to and interest receivables from related parties - net	<u>1,157,478</u>	<u>(166,682)</u>	<u>-</u>	<u>1,113,630</u>

The significant increase of Baht 158 million in the allowance for impairment losses on loans to and interest receivable from related parties in 2021 was mainly due to impacts of the Coronavirus disease 2019 pandemic and political uncertainty, which significantly affected the businesses, operating results and financial position of the associates and resulted in a reduction in the associates' ability to repay debts.

(Unit: Thousand Baht)

	Separate financial statements				
	Balance				Balance
	as at	Increase	Decrease		as at
	1 January	during the	during the	Loss on	31 December
2021	year	year	exchange	2021	
<b><u>Short-term loans from related party</u></b>					
<b>Subsidiary</b>					
Hasfield Holdings Pte., Ltd.	453,102	-	-	50,792	503,894
Total short-term loans from related party	453,102	-	-	50,792	503,894

#### Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Group had employee benefit expenses to their directors and management as detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2021	2020
Short-term employee benefits	32,301	47,487
Post-employment benefits	2,316	3,186
Total	34,617	50,673

#### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 25.3 to the financial statements.



## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	1,768	1,304	1,755	1,303
Bank deposits	1,350,425	1,161,309	51,192	58,428
Total	<u>1,352,193</u>	<u>1,162,613</u>	<u>52,947</u>	<u>59,731</u>

As at 31 December 2021, bank deposits in saving accounts and fixed deposits carried interests between 0.13 and 0.40 percent per annum (2020: between 0.10 and 0.50 percent per annum).

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Trade receivables - related parties</u> (Note 6)				
Age on the basis of invoice date				
Less than 120 days	1,079	855	1,079	855
Total trade receivables - related parties	<u>1,079</u>	<u>855</u>	<u>1,079</u>	<u>855</u>
<u>Trade receivables - unrelated parties</u>				
Age on the basis of invoice date				
Less than 120 days	20,327	11,757	20,327	11,757
120 - 180 days	-	27	-	27
Over 180 days	3,479	4,337	3,479	4,337
Total	<u>23,806</u>	<u>16,121</u>	<u>23,806</u>	<u>16,121</u>
Less: Allowance for expected credit losses	<u>(3,479)</u>	<u>(4,317)</u>	<u>(3,479)</u>	<u>(4,317)</u>
Total trade receivables - unrelated parties, net	<u>20,327</u>	<u>11,804</u>	<u>20,327</u>	<u>11,804</u>
Total trade receivables - net	<u>21,406</u>	<u>12,659</u>	<u>21,406</u>	<u>12,659</u>
<u>Other receivables</u>				
Other receivables - related parties (Note 6)	5,406	1,385	5,406	1,385
Other receivables - unrelated parties	247	1,853	247	1,853
Interest receivables	1,838	2,082	1,151	1,884
Total other receivables	<u>7,491</u>	<u>5,320</u>	<u>6,804</u>	<u>5,122</u>
Total trade and other receivables - net	<u>28,897</u>	<u>17,979</u>	<u>28,210</u>	<u>17,781</u>

## 9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Food and beverages	7,820	8,587	-	-	7,820	8,587
General supplies	8,972	11,574	-	-	8,972	11,574
Engineering tools, spare parts and supplies	4,701	5,571	(1,196)	(897)	3,505	4,674
<b>Total</b>	<b>21,493</b>	<b>25,732</b>	<b>(1,196)</b>	<b>(897)</b>	<b>20,297</b>	<b>24,835</b>

During the current year, the Company reduced cost of inventories by Baht 0.3 million to reflect the net realisable value (2020: reversed the write-down of cost of inventories by Baht 0.1 million).

## 10. Other non-current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
<u>Equity instruments designated at FVOCI</u>		
Listed equity instruments		
Shangri-La Asia Limited - related party	291,375	281,200
Don Muang Tollway Public Company Limited	174,728	-
Non-listed equity instruments		
Don Muang Tollway Public Company Limited	-	131,151
<b>Total equity instruments designated at FVOCI</b>	<b>466,103</b>	<b>412,351</b>

Movements of the equity instruments designated at FVOCI for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Shangri-La Asia Limited		Don Muang Tollway Public Company Limited		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Fair value as at 1 January</b>	281,200	331,076	131,151	131,151	412,351	462,227
Gain (loss) recognised into other						
comprehensive income	(24,416)	(50,051)	131,355	-	106,939	(50,051)
Disposed during the year	-	-	(87,778)	-	(87,778)	-
Translation adjustment	34,591	175	-	-	34,591	175
<b>Fair value as at 31 December</b>	<u>291,375</u>	<u>281,200</u>	<u>174,728</u>	<u>131,151</u>	<u>466,103</u>	<u>412,351</u>

The current year, 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.

In addition, for the year 2021 the subsidiary sold some parts of its equity interest in Don Muang Tollway Public Company Limited which have the fair value on the date of sales of Baht 87.8 million. The accumulated gain recognised in other comprehensive income of Baht 40.1 million net of income tax, was transferred to the Company's retained earnings of Baht 23.0 million and non-controlling interests of the subsidiary of Baht 17.1 million.

In addition, during the current year the subsidiary received dividends in the amount of Baht 11.7 million (2020: Baht 3.2 million) from Don Muang Tollway Public Company Limited.

## 11. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
			(Percent)	(Percent)		
Town Development Company Limited	Baht 1,303 million	Baht 1,303 million	100	100	1,303,000	1,303,000
Total investments in subsidiary					<u>1,303,000</u>	<u>1,303,000</u>

(Unit: Thousand Baht)

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	
			<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
					(Percent)	(Percent)
<b><u>Subsidiaries held through Town Development Company Limited</u></b>						
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
<b><u>Subsidiary held through Apizaco Limited</u></b>						
Zukerman Limited	Holding investment	British Virgin	USD 1	USD 1	100.00	100.00

## 11.2 Details of investments in subsidiaries that have material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Percent)	(Percent)				
TRR-Kerry Development Company Limited	42.67	42.67	113,646	62,361	6,446	1,223

(Unit: Thousand Baht)

## 11.3 Summarised financial information that based on amounts before inter-company elimination about subsidiary (TRR-Kerry Development Company Limited) that have material non-controlling interests;

Summarised information about financial position

	<u>2021</u>	<u>2020</u>
Current assets	109,979	15,061
Non-current assets	174,881	131,151
Current liabilities	2,120	65

(Unit: Thousand Baht)

## Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	<u>2021</u>	<u>2020</u>
Revenue	11,824	3,253
Profit	15,034	2,865
Total comprehensive income	80,032	2,865

## Summarised information about cash flow

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	<u>2021</u>	<u>2020</u>
Cash flow used in operating activities	(4,684)	(379)
Cash flow from investing activities	99,602	8,509
Net increase in cash and cash equivalents	<u>94,918</u>	<u>8,130</u>

## 12. Investments in associates

### 12.1 Details of associates:

(Unit: Thousand Baht)										
Consolidated financial statements										
Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding		Cost		Carrying amounts	
			as at 31 December		percentage				based on equity method	
			<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
					(Percent)	(Percent)				
<b><u>Associated companies (owned by Zukerman Limited)</u></b>										
Traders Yangon Company Limited	Hotel	Myanmar	USD 3.6 million	USD 3.6 million	23.53	23.53	29,880	26,856	-	-
Shangri-La Yangon Company Limited	Serviced apartments	Myanmar	USD 2.0 million	USD 2.0 million	22.22	22.22	17,669	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	705	633	-	-
Total							<u>48,254</u>	<u>43,370</u>	<u>-</u>	<u>-</u>

## 12.2 Summarised financial information of associates

The financial information of these associated companies for the years ended 31 December 2021 and 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)

	As at 31 December					
	Traders Yangon Company Limited		Shangri-La Yangon Company Limited		Traders Square Company Limited	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Total assets	1,216,455	1,194,614	3,304,132	3,095,094	3,603,087	3,398,990
Total liabilities	(3,686,739)	(3,221,797)	(3,858,175)	(3,582,035)	(4,271,816)	(3,899,939)
Net (liabilities)/assets	(2,470,284)	(2,027,183)	(554,043)	(486,941)	(668,729)	(500,949)

(Unit: Thousand Baht)

	For the years ended 31 December					
	Traders Yangon Company Limited		Shangri-La Yangon Company Limited		Traders Square Company Limited	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Total revenue	9,418	139,257	274,458	365,346	271,744	333,680
Profit (loss)	(205,525)	(231,684)	(11,734)	44,308	(106,555)	(82,591)

### 12.3 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 31 December 2021			
	Traders Yangon Company Limited	Shangri-La Yangon Company Limited	Traders Square Company Limited	Total
<b><u>Interests in associates</u></b>				
Net assets/ (liabilities) of associates	(2,470,284)	(554,043)	(668,729)	(3,693,056)
Shareholding percentage (Percent)	23.53%	22.22%	23.56%	
The Group's interests in associates	(581,258)	(123,108)	(157,553)	(861,919)
<b><u>Investments in associates</u></b>				
Ordinary shares, at cost	29,880	17,669	705	48,254
Less: Cumulative share of losses from investments in associates	(29,880)	(17,669)	(705)	(48,254)
Total	-	-	-	-
<b><u>Long-term loans to and interest receivables from related parties (Note 6)</u></b>				
Long-term loans to and interest receivables from related parties	543,879	803,512	875,597	2,222,988
Less: Impairment losses on financial assets	(543,879)	(46,921)	(256,271)	(847,071)
Total - net	-	756,591	619,326	1,375,917
Less: Cumulative share of losses from investments in associates	-	(105,439)	(156,848)	(262,287)
Total long-term loans to and interest receivables from related parties - net	-	651,152	462,478	1,113,630
Unrecognised cumulative share of losses from investments in associates	(551,378)	-	-	(551,378)

(Unit: Thousand Baht)

## Consolidated financial statements

As at 31 December 2020

	Traders Yangon Company Limited	Shangri-La Yangon Company Limited	Traders Square Company Limited	Total
<b><u>Interests in associates</u></b>				
Net assets/ (liabilities) of associates	(2,027,183)	(486,941)	(500,949)	(3,015,073)
Shareholding percentage (Percent)	23.53%	22.22%	23.56%	
The Group's interests in associates	(476,996)	(108,198)	(118,024)	(703,218)
<b><u>Investments in associates</u></b>				
Ordinary shares, at cost	26,856	15,881	633	43,370
Less: Cumulative share of losses from investments in associates	(26,856)	(15,881)	(633)	(43,370)
Total	-	-	-	-
<b><u>Long-term loans to and interest receivables from related parties (Note 6)</u></b>				
Long-term loans to and interest receivables from related parties	488,827	711,915	779,292	1,980,034
Less: Impairment losses on financial assets	(488,827)	-	(124,021)	(612,848)
Total - net	-	711,915	655,271	1,367,186
Less: Share of losses from investments in associates	-	(92,317)	(117,391)	(209,708)
Total long-term loans to and interest receivables from related parties - net	-	619,598	537,880	1,157,478
Unrecognised cumulative share of losses from investments in associates	(450,140)	-	-	(450,140)



### 13. Property, plant and equipment

(Unit: Thousand Baht)

#### Consolidated financial statements

	Land	Buildings and building improvement	Machinery and building equipment	Furniture, fixtures, equipment and computer	Operating equipment	Motor vehicles	Assets under construction	Right-of-use assets - vehicle	Total
<b>Cost:</b>									
1 January 2020	2,378,425	3,400,510	1,302,135	3,861,051	98,820	7,698	29,200	21,324	11,099,163
Additions	150,350	-	8,247	21,145	-	-	28,273	-	208,015
Disposals/write-off	-	(289)	(7,296)	(28,801)	(125)	-	(462)	-	(36,973)
Transfers in (out)	-	-	-	18,557	-	-	(18,557)	-	-
Termination of lease contract	-	-	-	-	-	-	-	(21,324)	(21,324)
31 December 2020	2,528,775	3,400,221	1,303,086	3,871,952	98,695	7,698	38,454	-	11,248,881
Additions	-	-	2,742	1,559	-	-	10,386	-	14,687
Disposals/write-off	-	-	-	(97)	-	(1,465)	(6)	-	(1,568)
Transfers in (out)	-	-	-	3,710	-	-	(3,710)	-	-
31 December 2021	2,528,775	3,400,221	1,305,828	3,877,124	98,695	6,233	45,124	-	11,262,000

(Unit: Thousand Baht)

## Consolidated financial statements

	Land	Buildings and building improvement	Machinery and building equipment	Furniture, fixtures, equipment and computer	Operating equipment	Motor vehicles	Assets under construction	Right-of-use assets - vehicle	Total
<b>Accumulated depreciation:</b>									
1 January 2020	-	2,566,107	1,128,889	3,670,584	98,214	5,339	-	-	7,469,133
Depreciation for the year	-	104,737	30,607	78,467	320	931	-	4,594	219,656
Depreciation on disposals/write-off	-	(251)	(7,008)	(28,797)	(125)	-	-	-	(36,181)
Discounts from lease contract	-	-	-	-	-	-	-	3,935	3,935
Termination of lease contract	-	-	-	-	-	-	-	(8,529)	(8,529)
31 December 2020	-	2,670,593	1,152,488	3,720,254	98,409	6,270	-	-	7,648,014
Depreciation for the year	-	104,556	27,123	66,338	223	720	-	-	198,960
Depreciation on disposals/write-off	-	-	-	(92)	-	(1,465)	-	-	(1,557)
31 December 2021	-	2,775,149	1,179,611	3,786,500	98,632	5,525	-	-	7,845,417
<b>Net book value:</b>									
31 December 2020	2,528,775	729,628	150,598	151,698	286	1,428	38,454	-	3,600,867
31 December 2021	2,528,775	625,072	126,217	90,624	63	708	45,124	-	3,416,583

(Unit: Thousand Baht)

## Separate financial statements

	Land	Buildings and building improvement	Machinery and building equipment	Furniture, fixtures, equipment and computer	Operating equipment	Motor vehicles	Assets under construction	Right-of-use assets - vehicle	Total
<b>Cost:</b>									
1 January 2020	2,376,571	3,400,510	1,302,135	3,861,051	98,820	7,698	29,200	21,324	11,097,309
Additions	150,350	-	8,247	21,145	-	-	28,273	-	208,015
Disposals/write-off	-	(289)	(7,296)	(28,801)	(125)	-	(462)	-	(36,973)
Transfers in (out)	-	-	-	18,557	-	-	(18,557)	-	-
Termination of lease contract	-	-	-	-	-	-	-	(21,324)	(21,324)
31 December 2020	2,526,921	3,400,221	1,303,086	3,871,952	98,695	7,698	38,454	-	11,247,027
Additions	-	-	2,742	1,559	-	-	10,386	-	14,687
Disposals/write-off	-	-	-	(97)	-	(1,465)	(6)	-	(1,568)
Transfers in (out)	-	-	-	3,710	-	-	(3,710)	-	-
31 December 2021	2,526,921	3,400,221	1,305,828	3,877,124	98,695	6,233	45,124	-	11,260,146

(Unit: Thousand Baht)

## Separate financial statements

	Land	Buildings and building improvement	Machinery and building equipment	Furniture, fixtures, equipment and computer	Operating equipment	Motor vehicles	Assets under construction	Right-of-use assets - vehicle	Total
<b>Accumulated depreciation:</b>									
1 January 2020	-	2,566,107	1,128,889	3,670,584	98,214	5,339	-	-	7,469,133
Depreciation for the year	-	104,737	30,607	78,467	320	931	-	4,594	219,656
Depreciation on disposals/write-off	-	(251)	(7,008)	(28,797)	(125)	-	-	-	(36,181)
Discounts from lease contract	-	-	-	-	-	-	-	3,935	3,935
Termination of lease contract	-	-	-	-	-	-	-	(8,529)	(8,529)
31 December 2020	-	2,670,593	1,152,488	3,720,254	98,409	6,270	-	-	7,648,014
Depreciation for the year	-	104,556	27,123	66,338	223	720	-	-	198,960
Depreciation on disposals/write-off	-	-	-	(92)	-	(1,465)	-	-	(1,557)
31 December 2021	-	2,775,149	1,179,611	3,786,500	98,632	5,525	-	-	7,845,417
<b>Net book value:</b>									
31 December 2020	2,526,921	729,628	150,598	151,698	286	1,428	38,454	-	3,599,013
31 December 2021	2,526,921	625,072	126,217	90,624	63	708	45,124	-	3,414,729

As at 31 December 2021, certain items of plant equipment and vehicles were fully depreciated but are still in use. The gross carrying amount before deducting accumulated of those assets amounted to approximately Baht 5,626 million (2020: Baht 5,470 million).

#### 14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables - unrelated parties	28,320	26,351	28,320	26,351
Other payables - related parties (Note 6)	25,013	26,863	24,934	25,893
Other payables - unrelated parties	7,402	6,736	7,362	6,713
Payables for purchase of assets	2,616	2,387	2,616	2,387
Retention payables	1,798	5,267	1,798	5,267
Accrued expenses	34,503	30,109	33,583	29,173
Total trade and other payables	<u>99,652</u>	<u>97,713</u>	<u>98,613</u>	<u>95,784</u>

#### 15. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	<u>2021</u>	<u>2020</u>
Advances from customers	67,739	67,907
Others	27,641	21,189
Total other current liabilities	<u>95,380</u>	<u>89,096</u>

## 16. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2021 and 2020, which is compensations on employees' retirement and other long-term employee benefits, were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements					
	Post-employment		Other long-term		Total	
	benefits from		employee benefits plan			
	employee's retirement					
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Defined benefit obligation at beginning of year</b>	72,357	80,943	7,230	8,670	79,587	89,613
<i>Included in profit or loss:</i>						
Current service cost	5,214	5,918	652	769	5,866	6,687
Interest cost	1,702	2,023	163	217	1,865	2,240
Past service costs and gains or losses on settlement	-	(170)	(322)	(1,709)	(322)	(1,879)
<i>Included in other comprehensive income:</i>						
Actuarial (gain) loss arising from						
Demographic assumptions changes	(735)	-	-	-	(735)	-
Financial assumptions changes	5,495	-	-	-	5,495	-
Experience adjustments	7,320	-	-	-	7,320	-
<i>Benefits paid during the year</i>	<u>(2,007)</u>	<u>(16,357)</u>	<u>(743)</u>	<u>(717)</u>	<u>(2,750)</u>	<u>(17,074)</u>
<b>Defined benefit obligation at end of year</b>	<u>89,346</u>	<u>72,357</u>	<u>6,980</u>	<u>7,230</u>	<u>96,326</u>	<u>79,587</u>

The Company expects to pay Baht 15.2 million of long-term employee benefits during the next year (2020: Baht 7.0 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 12 and 17 years (2020: 8 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements/ Separate financial statements	
	<u>2021</u>	<u>2020</u>
	(% per annum)	(% per annum)
Discount rate	2.22, 2.83	2.75
Future salary increase rate	5.00	4.50 - 5.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements/Separate financial statements			
	As at 31 December 2021		As at 31 December 2020	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
Discount rate	(4)	4	(4)	4
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Salary increase rate	8	(7)	8	(7)

#### 17. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

#### 18. Finance income/Finance cost

Finance income/Finance cost for the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Finance income</b>				
Interest income	29,034	50,582	6,418	18,240
Unrealised gain on exchange rate of short-term loan from related party	-	-	-	1,867
<b>Total</b>	<u>29,034</u>	<u>50,582</u>	<u>6,418</u>	<u>20,107</u>
<b>Finance cost</b>				
Unrealised loss on exchange rate of short-term loan from related party (Note 6)	-	-	(50,792)	-
Interest expenses on lease liabilities	-	(198)	-	(198)
<b>Total</b>	<u>-</u>	<u>(198)</u>	<u>(50,792)</u>	<u>(198)</u>

## 19. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Salaries and wages and other employee benefits	284,910	420,433	284,910	420,433
Depreciation and amortisation expenses	201,520	223,017	201,520	223,017
Direct cost of food and beverage	63,831	89,292	63,831	89,292
Other direct cost of hotel operations	43,734	76,286	43,734	76,286
Utilities expenses	69,329	84,168	69,329	84,168
Management fees	18,375	27,130	18,375	27,130
Advertising and promotion expenses	12,495	31,337	12,495	31,337
Maintenance expenses	21,666	33,177	21,666	33,177

## 20. Income tax

Income tax for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Current income tax:</b>				
Current corporate income tax charge	6,574	1,742	-	-
Adjustment in respect of income tax of previous year	-	(4)	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(102,743)	(77,977)	(93,049)	(85,556)
<b>Income tax benefits reported in the statements of comprehensive income</b>	<u>(96,169)</u>	<u>(76,239)</u>	<u>(93,049)</u>	<u>(85,556)</u>



The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax on gain from the changes in value of investment in equity investments designated at FVOCI	16,249	-	-	-
Deferred tax on actuarial loss	(2,416)	-	(2,416)	-
	<u>13,833</u>	<u>-</u>	<u>(2,416)</u>	<u>-</u>

The reconciliation between accounting profit (loss) and income tax is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Accounting loss before tax	(582,533)	(1,058,130)	(454,294)	(381,014)
Applicable tax rate	0, 17, 20%	0, 17, 20%	20%	20%
Accounting loss before tax multiplied by income tax rate	(123,240)	(217,223)	(90,859)	(76,203)
Adjustment in respect of income tax of previous year	-	(4)	-	-
Adjustment in respect of deferred tax liabilities of previous year	-	6,123	-	-
Unrecognised deferred tax assets on temporary differences	37,157	137,554	-	-
Effects of:				
Exemption of income	(6,367)	(320)	-	-
Non-deductible expenses	94	3,342	80	116
Additional expense deductions allowed	(2,609)	(7,357)	(2,609)	(7,357)
Others	(1,204)	1,646	339	(2,112)
Total	<u>(10,086)</u>	<u>(2,689)</u>	<u>(2,190)</u>	<u>(9,353)</u>
Income tax benefits reported in the statement of comprehensive income	<u>(96,169)</u>	<u>(76,239)</u>	<u>93,049</u>	<u>(85,556)</u>

The tax rate enacted at the end of the reporting period of the subsidiaries in overseas countries are 0 percent to 17 percent.

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Deferred tax assets</b>				
Allowance for expected credit losses of trade receivables	696	863	696	863
Allowance for diminution in value of inventories	239	180	239	180
Allowance for impairment of investments in other company	-	16,403	-	-
Unrealised fair value loss on investment	153	-	-	-
Provision for long-term employee benefits	19,265	15,917	19,265	15,917
Provisions and other accruals	125	128	125	128
Unused tax losses	179,183	86,954	179,183	86,954
<b>Total</b>	<u>199,661</u>	<u>120,445</u>	<u>199,508</u>	<u>104,042</u>
<b>Deferred tax liabilities</b>				
Undued tax remitted	8,604	7,571	-	-
<b>Total</b>	<u>8,604</u>	<u>7,571</u>	<u>-</u>	<u>-</u>
<b>Net balance</b>	<u>191,057</u>	<u>112,874</u>	<u>199,508</u>	<u>104,042</u>
Presented as				
Deferred tax assets	199,661	120,445	199,508	104,042
Deferred tax liabilities	8,604	7,571	-	-
<b>Total</b>	<u>191,057</u>	<u>112,874</u>	<u>199,508</u>	<u>104,042</u>

As at 31 December 2021, the Group has deductible temporary differences totalling Baht 873 million (2020: Baht 687 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences.

The Company has the unused tax losses amounting to Baht 896 million (2020: Baht 435 million) which will expire by 2025 and 2026, respectively.

## 21. Earnings per share

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

The following table sets forth the computation of basic earnings per share.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Loss for the year (Thousand Baht)	(492,810)	(983,114)	(361,245)	(295,458)
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Loss per share (Baht per share)	(3.79)	(7.56)	(2.78)	(2.27)

## 22. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group are organised into business units based on its services and have 2 reportable segments as follows:

- (1) Hotel business
- (2) Holding investment

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Group's operating segments for the years ended 31 December 2021 and 2020.

(Unit: Million Baht)

	Hotel business								Adjustments and eliminations		Consolidated	
	Hotel in Bangkok		Hotel in Chiangmai		Holding Investment		Total segments					
	<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>
<b>Revenues</b>												
External customers	258	505	77	147	-	-	335	652	-	-	335	652
Total revenues	<u>258</u>	<u>505</u>	<u>77</u>	<u>147</u>	<u>-</u>	<u>-</u>	<u>335</u>	<u>652</u>	<u>-</u>	<u>-</u>	<u>335</u>	<u>652</u>
<b>Operating results</b>												
Segment gross profit	63	194	20	63	-	-	83	257	-	-	83	257
Other income	8	6	1	2	12	3	21	11	-	-	21	11
Depreciation and amortisation expenses	(121)	(138)	(81)	(85)	-	-	(202)	(223)	-	-	(202)	(223)
Exchange gains (losses)	-	-	-	-	25	(24)	25	(24)	(51)	2	(26)	(22)
Reversal (allowance) for expected credit losses of trade receivables	1	(4)	-	-	-	-	1	(4)	-	-	1	(4)
Impairment losses on financial assets	-	-	-	-	(158)	(469)	(158)	(469)	-	-	(158)	(469)
Share of losses from investments in associates	-	-	-	-	(28)	(218)	(28)	(218)	-	-	(28)	(218)
Finance income	6	20	-	-	23	33	29	53	-	(2)	29	51
Finance cost	(51)	-	-	-	-	-	(51)	-	51	-	-	-
<b>Loss before income tax</b>	<b>(316)</b>	<b>(243)</b>	<b>(138)</b>	<b>(138)</b>	<b>(128)</b>	<b>(677)</b>	<b>(582)</b>	<b>(1,058)</b>	<b>-</b>	<b>-</b>	<b>(582)</b>	<b>(1,058)</b>
Income tax benefits (expenses)	65	54	28	32	3	(10)	96	76	-	-	96	76
<b>Loss for the year</b>	<b>(251)</b>	<b>(189)</b>	<b>(110)</b>	<b>(106)</b>	<b>(125)</b>	<b>(687)</b>	<b>(486)</b>	<b>(982)</b>	<b>-</b>	<b>-</b>	<b>(486)</b>	<b>(982)</b>
<b>Segment total assets</b>	<b>4,196</b>	<b>4,436</b>	<b>477</b>	<b>529</b>	<b>2,904</b>	<b>2,714</b>	<b>7,577</b>	<b>7,679</b>	<b>-</b>	<b>-</b>	<b>7,577</b>	<b>7,679</b>

## Major customers

For the years 2021 and 2020, the Group have no major customer with revenue of 10 percent or more of an entity's revenues.

### 23. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salaries. The fund, which is managed by Principal Asset Management Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2021, the Company contributed Baht 10 million (2020: Baht 16 million) to the fund.

### 24. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final 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

### 25. Commitments and contingent liabilities

#### 25.1 Capital commitments

As at 31 December 2021, the Company had capital commitments of approximately Baht 51 million (2020: Baht 54 million), relating to the construction, renovation of the hotel building and equipment.

#### 25.2 Guarantees

- (1) As at 31 December 2021, there were outstanding bank guarantees of approximately Baht 11 million (2020: Baht 12 million) issued by a bank on behalf of the Company in respect of electricity usage.
- (2) As at 31 December 2021 and 2020, 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, i.e. Traders Yangon Company Limited and Shangri-La Yangon Company Limited, in proportion to the subsidiary's shareholding not exceeding USD 11.77 million and USD 6.67 million, respectively.

## 26. Fair value hierarchy

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

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at FVOCI				
Listed equity instruments	466	-	-	466

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
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, for the current year, 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.

## **27. Financial instruments**

### **27.1 Financial risk management objectives and policies**

The Group's financial instruments principally comprise cash and cash equivalents, fixed deposits with financial institutions, trade and other receivables, long-term loans to and interest receivables from related parties, other financial assets, trade and other payables and short term loans from related party. The financial risks associated with these financial instruments and how they are managed is described below.

#### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade and other receivables, long-term loans to and interest receivables from related parties and fixed deposits with financial institutions. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

#### ***Trade and other receivables***

The Group manages the risk by adopting appropriate credit control policies and procedures and regularly monitoring outstanding trade receivables. As a result, the Group does not expect to incur material financial losses.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off in accordance with the Group's policy, by appropriate consideration.

#### ***Cash deposits***

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate risk through a counterparty's potential failure to make payments.

#### ***Long-term loans to and interest receivables from related parties***

The Group manages the credit risk from balances of long-term loans to and interest receivables from related parties in accordance with the Parent's policy and performed an impairment analysis at each reporting date to measure expected credit losses.

#### **Market risk**

There are two types of market risk comprising foreign currency risk and interest rate risk.

### **Foreign currency risk**

The Group's exposure to the foreign currency risk relates primarily to its borrowing and lendings that are denominated in foreign currencies. The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	38	43	-	-	33.4199	30.0371

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	-	15	15	33.4199	30.0371

### **Foreign currency sensitivity**

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rate, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities as at 31 December 2021 and 2020.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Impact to profit before tax</b>				
THB against USD				
- Increase 5 %	63,476	64,850	(25,195)	(22,655)
- Decrease 5 %	(63,476)	(64,850)	25,195	22,655

This information is not a forecast or prediction of future market conditions and should be used with care.



### **Interest rate risk**

The Group's exposure to interest rate risk relates primarily to its long-term loans to related parties. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2021						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate  (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	1,305	-	-	13	34	1,352	0.13 - 0.40
Fixed deposits with financial institutions	958	-	-	-	-	958	0.45 - 0.70
Trade and other receivables	-	-	-	-	29	29	-
Long-term loans to and interest receivables from related parties	-	-	895	-	219	1,114	USD LIBOR and 0.92 to 2.05
	<u>2,263</u>	<u>-</u>	<u>895</u>	<u>13</u>	<u>282</u>	<u>3,453</u>	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	100	100	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>	

(Unit: Million Baht)

## Consolidated financial statements

As at 31 December 2020

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	395	-	-	731	37	1,163	0.10 - 0.50
Fixed deposits with financial institutions	1,153	-	-	-	-	1,153	0.60 - 1.50
Trade and other receivables	-	-	-	-	18	18	-
Long-term loans to and interest receivables from related parties	-	-	907	-	250	1,157	USD LIBOR and 0.92 to 2.05
	1,548	-	907	731	305	3,491	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	98	98	-
	-	-	-	-	98	98	

(Unit: Million Baht)

## Separate financial statements

As at 31 December 2021

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	25	-	-	13	15	53	0.13 - 0.30
Fixed deposits with financial institutions	935	-	-	-	-	935	0.45 - 0.70
Trade and other receivables	-	-	-	-	28	28	-
	960	-	-	13	43	1,016	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	99	99	-
Short-term loan from related party	-	-	-	-	504	504	-
	-	-	-	-	603	603	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2020							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	20	-	-	24	16	60	0.10 - 0.40
Fixed deposits with financial institutions	1,130	-	-	-	-	1,130	0.60 - 1.50
Trade and other receivables	-	-	-	-	18	18	-
	<u>1,150</u>	<u>-</u>	<u>-</u>	<u>24</u>	<u>34</u>	<u>1,208</u>	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	96	96	-
Short-term loan from related party	-	-	-	-	453	453	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>549</u>	<u>549</u>	

*Interest rate sensitivity*

The Group considers that there is no significant impact on the Group's profit before tax arising from the possible change in interest rates on financial assets which bear floating interest rates.

**Liquidity risk**

The Group monitors its liquidity requirements to ensure it has sufficient cash to meet operational needs. However, the Group has assessed and concluded the risk is low, since the majority of the Group's financial liabilities are short-term loans from related party, which has maturity within 12 months can be rolled over with the lender.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1-5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Trade and other payables	-	100	-	-	100
<b>Total non-derivatives</b>	-	100	-	-	100

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1-5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Trade and other payables	-	99	-	-	99
Short-term loans from related party	504	-	-	-	504
<b>Total non-derivatives</b>	504	99	-	-	603

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2020				
	On demand	Less than 1 year	1-5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Trade and other payables	-	98	-	-	98
<b>Total non-derivatives</b>	-	98	-	-	98

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2020				
	On demand	Less than 1 year	1-5 years	Over 5 years	Total
<b>Non-derivatives</b>					
Trade and other payables	-	96	-	-	96
Short-term loans from related party	453	-	-	-	453
<b>Total non-derivatives</b>	453	96	-	-	549

## **27.2 Fair values of financial instruments**

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

## **28. Capital management**

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2021, the Group's debt-to-equity ratio was 0.05:1 (2020: 0.04:1) and the Company's was 0.16:1 (2020: 0.13:1).

## **29. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 21 February 2022.

To : Managing Director  
The Stock Exchange of Thailand

Date : February 21, 2022

Re : Management Discussion and Analysis for the year ended December 31, 2021

The Board of Directors is pleased to announce the Company's results of operation for the year ended December 31, 2021 as follows: -

**Net loss after corporate income tax for the year ended December 31, 2021 and 2020:**

(Baht in million)	<u>2021</u>	<u>2020</u>	<u>Change</u>
The Company	361.25	295.46	22.27%
Consolidated	492.81	983.11	(49.87)%

**The Company:**

The Company's loss before corporate income tax benefits for the year ended December 31, 2021 increased by Baht 73.28 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 73.55 million and decrease in loss of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 0.27 million.

Revenues from hotel operations of SLBK decreased by Baht 247.01 million from Baht 504.99 million to Baht 257.98 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 131.19 million. Selling and administrative expenses decreased by Baht 31.38 million and Baht 71.12 million, respectively. Depreciation expense decreased by Baht 17.35 million against last year. Finance cost increased by Baht 64.25 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 73.55 million from Baht 243.08 million to Baht 316.63 million.

Loss before corporate income tax benefits of SLCM decreased by Baht 0.27 million as compared to 2020, mainly attributed to lower revenues from hotel operations by Baht 70.14 million from Baht 146.67 million to Baht 76.53 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 42.80 million. Selling and administrative expenses decreased by Baht 9.20 million and Baht 30.63 million, respectively. Depreciation Expenses decreased by Baht 4.15 million against last year. As a result, the loss before corporate income tax benefits decreased by Baht 0.27 million from Baht 137.94 million to Baht 137.67 million.

Consequently, the total loss of SLBK and SLCM before corporate income tax benefits increased by Baht 73.28 million from Baht 381.01 million to Baht 454.29 million. The corporate income tax benefits increased by Baht 7.49 million as compared to 2020 due to record the deferred tax asset regarding defined benefit obligation during the year. The Company recorded a net loss after tax benefits of Baht 361.25 million for the year ended December 31, 2021 compared to loss of Baht 295.46 million last year (increased by 22.27%).

**Consolidated:**

The consolidated loss before corporate income tax benefits for the year ended December 31, 2021 decreased by Baht 475.60 million against last year. The decrease in consolidated loss before corporate income tax benefits was due to increase in the Company's loss before corporate income tax benefits of Baht 73.28 million and decrease in loss from subsidiaries by Baht 548.88 million. The decrease in loss of subsidiaries was largely due to the impairment losses on financial assets and share of losses investments in associates. As a result, the corporate income tax benefits increased by Baht 19.93 million. Overall, the consolidated net loss after tax benefits attributable to the equity holders of the Company for the year ended December 31, 2021 decreased by Baht 490.30 million against last year (decreased by 49.87%).

Yours faithfully,

\_\_\_\_\_  
(Mrs. Pavinee Meensuk)  
Director

**Headline:** Financial Performance Yearly (F45) (Audited)

**Security Symbol:** SHANG

Announcement Details

Financial Statement (F45)		
Company name	SHANGRI-LA HOTEL PUBLIC COMPANY LIMITED	
Quarter	Yearly	
(In thousands)		
Financial Statement	Yearly	
Status	Audited	
Ending	31 December	
Year	2021	2020
Profit (loss) attributable to equity holders of the Company *	(492,810)	(983,114)
EPS (baht)	(3.79)	(7.56)
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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