

SHANGRI-LA GROUP

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Shangri-La Asia Limited

(Incorporated in Bermuda with limited liability)

website: www.ir.shangri-la.com

(Stock code: 00069)

OVERSEAS REGULATORY ANNOUNCEMENT

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

Hong Kong, 8 May 2023

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

Executive directors

Ms KUOK Hui Kwong (Chairman)

Mr CHUA Chee Wui (Group Chief Financial Officer & Group Chief Investment Officer)

Non-executive director

Mr LIM Beng Chee

Independent non-executive directors

Professor LI Kwok Cheung Arthur

Mr YAP Chee Keong

Mr LI Xiaodong Forrest

Mr ZHUANG Chenchao

Ms KHOO Shulamite N K

Shangri-La Hotel Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2023

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Shangri-La Hotel Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Shangri-La Hotel Public Company Limited and its subsidiaries as at 31 March 2023, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Shangri-La Hotel Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Kessirin Pinpuvadol

Certified Public Accountant (Thailand) No. 7325

EY Office Limited

Bangkok: 8 May 2023

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2023

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>31 March 2023</u> (Unaudited but reviewed)	<u>31 December 2022</u> (Audited)	<u>31 March 2023</u> (Unaudited but reviewed)	<u>31 December 2022</u> (Audited)
Assets					
Current assets					
Cash and cash equivalents		2,355,493	2,745,216	902,624	1,246,629
Fixed deposits with financial institutions		609,020	60,000	555,000	60,000
Trade and other receivables	3, 4	56,896	88,569	50,026	74,871
Inventories		20,793	24,184	20,793	24,184
Other current assets		33,222	27,058	32,009	25,840
Total current assets		<u>3,075,424</u>	<u>2,945,027</u>	<u>1,560,452</u>	<u>1,431,524</u>
Non-current assets					
Other non-current financial assets	6	334,995	335,177	-	-
Investments in subsidiaries		-	-	1,303,000	1,303,000
Investments in associates	5	-	-	-	-
Long-term loans to and interest receivables					
from related parties	3, 5	1,017,061	1,038,189	-	-
Property, plant and equipment		3,252,800	3,280,291	3,250,946	3,278,437
Intangible assets		264	313	264	313
Deferred tax assets		142,921	203,274	142,921	190,110
Other non-current assets		6,144	6,771	6,144	6,771
Total non-current assets		<u>4,754,185</u>	<u>4,864,015</u>	<u>4,703,275</u>	<u>4,778,631</u>
Total assets		<u>7,829,609</u>	<u>7,809,042</u>	<u>6,263,727</u>	<u>6,210,155</u>

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

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2023

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>31 March 2023</u>	<u>31 December 2022</u>	<u>31 March 2023</u>	<u>31 December 2022</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3	139,563	192,481	138,238	190,646
Short-term loans from related party	3	-	-	513,947	521,003
Income tax payable		6,282	3,000	-	-
Advance from customers		99,064	170,702	99,064	170,702
Other current liabilities		30,120	28,484	28,243	28,480
Total current liabilities		275,029	394,667	779,492	910,831
Non-current liabilities					
Provision for long-term employee benefits		83,705	88,070	83,705	88,070
Deferred tax liabilities		14,141	12,222	-	-
Other non-current liabilities		21,971	21,452	21,971	21,452
Total non-current liabilities		119,817	121,744	105,676	109,522
Total liabilities		394,846	516,411	885,168	1,020,353
Shareholders' equity					
Share capital					
Registered, issued and fully paid up					
130,000,000 ordinary shares of Baht 10 each		1,300,000	1,300,000	1,300,000	1,300,000
Share premium		1,590,400	1,590,400	1,590,400	1,590,400
Retained earnings					
Appropriated-statutory reserve		130,000	130,000	130,000	130,000
Unappropriated		3,438,658	3,312,921	2,358,159	2,169,402
Other components of shareholders' equity		876,060	843,733	-	-
Equity attributable to owners of the Company		7,335,118	7,177,054	5,378,559	5,189,802
Non-controlling interests of the subsidiary		99,645	115,577	-	-
Total shareholders' equity		7,434,763	7,292,631	5,378,559	5,189,802
Total liabilities and shareholders' equity		7,829,609	7,809,042	6,263,727	6,210,155
		-	-	-	-

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

Directors

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 31 March 2023**

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

	Note	Consolidated financial statements		Separate financial statements	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit or loss:					
Revenue					
Revenues from hotel operations		597,562	123,140	597,562	123,140
Exchange gains		-	41	-	-
Other income		4,414	3,228	4,414	3,228
Total revenue		<u>601,976</u>	<u>126,409</u>	<u>601,976</u>	<u>126,368</u>
Expenses					
Cost of hotel operations		164,220	67,552	164,220	67,552
Selling expenses		34,855	17,976	34,855	17,976
Administrative expenses		138,056	78,705	137,618	78,376
Depreciation and amortisation expenses		39,290	44,622	39,290	44,622
Exchange losses		20,319	-	-	-
Reversal allowance for expected credit losses of trade receivables		(37)	(30)	(37)	(30)
Impairment losses on financial assets		31,918	-	-	-
Total expenses		<u>428,621</u>	<u>208,825</u>	<u>375,946</u>	<u>208,496</u>
Operating profit (loss)		<u>173,355</u>	<u>(82,416)</u>	<u>226,030</u>	<u>(82,128)</u>
Share of losses from investments in associates	3	(11,771)	(9,089)	-	-
Finance income		20,228	7,256	2,860	1,283
Finance cost		-	-	7,056	2,064
Profit (loss) before income tax expenses		<u>181,812</u>	<u>(84,249)</u>	<u>235,946</u>	<u>(78,781)</u>
Income tax expenses		(64,564)	(369)	(47,189)	-
Profit (loss) for the period		<u>117,248</u>	<u>(84,618)</u>	<u>188,757</u>	<u>(78,781)</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		(4,594)	(12,141)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(4,594)	(12,141)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on changes in value of equity investments designated at fair value through other comprehensive income - net of income tax	6	48,252	(22,720)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		48,252	(22,720)	-	-
Total other comprehensive income for the period		<u>43,658</u>	<u>(34,861)</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>160,906</u>	<u>(119,479)</u>	<u>188,757</u>	<u>(78,781)</u>

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 31 March 2023

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
Profit (loss) attributable to:					
Equity holders of the Company	116,072	(84,631)	<u>188,757</u>	<u>(78,781)</u>	
Non-controlling interests of the subsidiary	<u>1,176</u>	<u>13</u>			
	<u>117,248</u>	<u>(84,618)</u>			
Total comprehensive income attributable to:					
Equity holders of the Company	158,064	(115,861)	<u>188,757</u>	<u>(78,781)</u>	
Non-controlling interests of the subsidiary	<u>2,842</u>	<u>(3,618)</u>			
	<u>160,906</u>	<u>(119,479)</u>			
Earnings per share					
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company	7	<u>0.89</u>	<u>(0.65)</u>	<u>1.45</u>	<u>(0.61)</u>

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Separate financial statements				Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Retained earnings		
			Appropriated	Unappropriated	
Balance as at 1 January 2022	1,300,000	1,590,400	130,000	2,137,428	5,157,828
Total comprehensive income for the period	-	-	-	(78,781)	(78,781)
Balance as at 31 March 2022	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>2,058,647</u>	<u>5,079,047</u>
Balance as at 1 January 2023	1,300,000	1,590,400	130,000	2,169,402	5,189,802
Total comprehensive income for the period	-	-	-	188,757	188,757
Balance as at 31 March 2023	<u>1,300,000</u>	<u>1,590,400</u>	<u>130,000</u>	<u>2,358,159</u>	<u>5,378,559</u>

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Cash flow statement

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from operating activities				
Profit (loss) before income tax	181,812	(84,249)	235,946	(78,781)
Adjustments to reconcile profit (loss) before income tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation expenses	39,290	44,622	39,290	44,622
Reversal allowance for expected credit loss of trade receivables	(37)	(30)	(37)	(30)
Reversal reduction of inventory to net realisable value	(58)	(304)	(58)	(304)
Impairment losses on financial assets	31,918	-	-	-
Share of losses from investments in associates	11,771	9,089	-	-
Gain on disposals of equipment	(208)	(159)	(208)	(159)
Provision for long-term employee benefits	2,624	2,069	2,624	2,069
Finance income	(20,228)	(7,256)	(2,860)	(1,283)
Finance cost	-	-	(7,056)	(2,064)
Profit (loss) from operating activities before changes in operating assets and liabilities	246,884	(36,218)	267,641	(35,930)
Operating assets (increase) decrease				
Trade and other receivables	31,991	(1,377)	25,429	(1,378)
Inventories	3,449	1,174	3,449	1,174
Other current assets	(5,256)	(2,813)	(5,268)	(2,802)
Other non-current assets	627	34	627	34
Operating liabilities increase (decrease)				
Trade and other payables	(52,918)	(24,788)	(52,408)	(25,114)
Advance from customers	(71,638)	9,845	(71,638)	9,845
Other current liabilities	1,636	2,230	(237)	2,230
Provision for long-term employee benefits	(6,989)	(199)	(6,989)	(199)
Other non-current liabilities	519	(2,165)	519	(2,165)
Cash flows from (used in) operating activities	148,305	(54,277)	161,125	(54,305)
Cash paid for corporate income tax	(901)	(571)	(901)	(570)
Net cash flows from (used in) operating activities	147,404	(54,848)	160,224	(54,875)

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

(Unaudited but reviewed)

Shangri-La Hotel Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 31 March 2023

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash flows from investing activities				
Decrease (increase) in fixed deposits with financial institutions	(549,020)	50,000	(495,000)	50,000
Cash received from interest income	15,340	2,861	2,313	1,731
Cash received from sales of other non-current financial assets	42,062	-	-	-
Increase in long-term loans to related party	(30,922)	-	-	-
Acquisitions of equipment and construction in progress	(11,753)	(292)	(11,753)	(292)
Acquisitions of intangible assets	-	(352)	-	(352)
Proceeds from disposals of equipment	211	159	211	159
Net cash flows from (used in) investing activities	<u>(534,082)</u>	<u>52,376</u>	<u>(504,229)</u>	<u>51,246</u>
Cash flows from financing activities				
Dividend paid of the subsidiary	(18,774)	-	-	-
Net cash flows used in financing activities	<u>(18,774)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase in translation adjustments	<u>17,058</u>	<u>491</u>	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	<u>(388,394)</u>	<u>(1,981)</u>	<u>(344,005)</u>	<u>(3,629)</u>
Effects of exchange rate changes on cash and cash equivalents	(1,329)	(5,726)	-	-
Cash and cash equivalents at beginning of period	<u>2,745,216</u>	<u>1,352,193</u>	<u>1,246,629</u>	<u>52,947</u>
Cash and cash equivalents at end of period	<u><u>2,355,493</u></u>	<u><u>1,344,486</u></u>	<u><u>902,624</u></u>	<u><u>49,318</u></u>
	-	-	-	-

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

Shangri-La Hotel Public Company Limited and its subsidiaries
Notes to consolidated interim financial statements
For the three-month period ended 31 March 2023

1. General information

1.1 Basis for the preparation of interim financial statements

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

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

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

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Shangri-La Hotel Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) (collectively as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2022. There have been no changes in the composition of the Group during the current period.

2. Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2022.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Group’s financial statements.

3. Related party transactions

During the period, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course business. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

Summaries significant business transactions with related parties as follows.

	(Unit: Million Baht)			
	For the three-month period ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Transactions with associated companies</u>				
Interest income	5	5	-	-
<u>Transactions with related companies</u>				
Revenue from hotel operations	11	10	11	10
Management fees	19	6	19	6
Marketing and promotion fees	7	1	7	1
Advertising and reservation fees	3	2	3	2
Training fees	2	1	2	1

The balances of the accounts between the Company and these related companies as at 31 March 2023 and 31 December 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Audited)		(Audited)	
<u>Trade receivables - related parties (Note 4)</u>				
Directors				
Directors	52	110	52	110
Related companies				
Others	1,339	5,397	1,339	5,397
Total trade receivables - related parties	<u>1,391</u>	<u>5,507</u>	<u>1,391</u>	<u>5,507</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
	(Audited)		(Audited)	
<u>Other receivables - related parties (Note 4)</u>				
Related companies				
Shangri-La International Hotel Management Pte., Ltd.	1,024	4,483	1,024	4,483
Others	449	902	449	902
Total other receivables - related parties	1,473	5,385	1,473	5,385
<u>Long-term loans to and interest receivables</u>				
<u>from related parties</u>				
Associated companies				
Non-interest bearing				
Traders Square Company Limited	46,222	46,850	-	-
	46,222	46,850	-	-
Interest bearing				
Traders Yangon Company Limited	587,022	562,473	-	-
Shangri-La Yangon Company Limited	832,685	841,430	-	-
Traders Square Company Limited	857,732	867,275	-	-
	2,277,439	2,271,178	-	-
Total	2,323,661	2,318,028	-	-
Less: Allowance for impairment losses on financial assets (Note 5)	(986,936)	(967,824)	-	-
Total	1,336,725	1,350,204	-	-
Less: Share of losses from investments in associates (Note 5)	(319,664)	(312,015)	-	-
Total long-term loans to and interest receivables from related parties - net	1,017,061	1,038,189	-	-

The interest-bearing portions of the loans carry interest at rates of USD LIBOR and 0.92 to 5.50 percent per annum. The loans are unsecured and repayable on demand. The Group deemed these long-term loans that, in substance, form part of the interests in associates (Note 5 to the interim financial statements).

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<u>Other payables - related parties</u>				
Related companies				
Shangri-La International Hotel Management Pte., Ltd.	34,009	38,331	33,924	38,248
Others	304	1,161	185	351
Total other payables - related parties	<u>34,313</u>	<u>39,492</u>	<u>34,019</u>	<u>38,599</u>
<u>Short-term loans from related party</u>				
Subsidiary				
Hasfield Holdings Pte., Ltd.	-	-	513,947	521,003
Total short-term loans from related party	<u>-</u>	<u>-</u>	<u>513,947</u>	<u>521,003</u>

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

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

(Unit: Thousand Baht)

	Consolidated financial statements				Balance as at 31 March 2023
	Balance as at 1 January 2023	Increase during the period	Decrease during the period	Translation adjustment	
<u>Long-term loans to and interest</u>					
<u>receivables from related parties</u>					
Associated companies					
Non-interest bearing					
Traders Square Company Limited	46,850	-	-	(628)	46,222
Interest bearing					
Traders Yangon Company Limited	562,473	30,922	-	(6,373)	587,022
Shangri-La Yangon Company Limited	841,430	2,528	-	(11,273)	832,685
Traders Square Company Limited	867,275	2,079	-	(11,622)	857,732
Total	<u>2,318,028</u>	<u>35,529</u>	<u>-</u>	<u>(29,896)</u>	<u>2,323,661</u>
Less: Allowance for impairment losses on financial assets	<u>(967,824)</u>	<u>(31,918)</u>	<u>-</u>	<u>12,806</u>	<u>(986,936)</u>
Total	<u>1,350,204</u>	<u>3,611</u>	<u>-</u>	<u>(17,090)</u>	<u>1,336,725</u>
Less: Share of losses from investments in associates (Note 5)	<u>(312,015)</u>	<u>(11,771)</u>	<u>-</u>	<u>4,122</u>	<u>(319,664)</u>
Total long-term loans to and interest receivables from related parties - net	<u>1,038,189</u>	<u>(8,160)</u>	<u>-</u>	<u>(12,968)</u>	<u>1,017,061</u>

(Unaudited but reviewed)

The significant increase of Baht 31.9 million in the allowance for impairment losses on loans to and interest receivable from related parties in 2023 was mainly due to impacts of the political uncertainty in Myanmar, 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 as at 1 January 2023	Increase during the period	Decrease during the period	Gain on exchange Balance as at 31 March 2023
<u>Short-term loans from related party</u>				
Subsidiary				
Hasfield Holdings Pte., Ltd.	521,003	-	-	(7,056) 513,947
Total short-term loans from related party	521,003	-	-	(7,056) 513,947

Directors and management's benefits

(Unit: Thousand Baht)

	For the three-month period ended 31 March	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	13,635	11,061
Post-employment benefits	1,757	752
Total	15,392	11,813

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 9.2 to the interim financial statements.

4. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2023	2022	2023	2022
		(Audited)		(Audited)
<u>Trade receivables - related parties</u> (Note 3)				
Age on the basis of invoice date				
Less than 120 days	1,391	5,507	1,391	5,507
Total trade receivables - related parties	1,391	5,507	1,391	5,507
<u>Trade receivables - unrelated parties</u>				
Age on the basis of invoice date				
Less than 120 days	44,726	62,215	44,726	62,215
120 - 180 days	762	387	762	387
Over 180 days	2,830	3,117	2,830	3,117
Total	48,318	65,719	48,318	65,719
Less: Allowance for expected credit losses	(2,898)	(2,935)	(2,898)	(2,935)
Total trade receivables - unrelated parties, net	45,420	62,784	45,420	62,784
Total trade receivables - net	46,811	68,291	46,811	68,291
<u>Other receivables</u>				
Other receivables - related parties (Note 3)	1,473	5,385	1,473	5,385
Other receivables - unrelated parties	68	6,630	68	68
Interest receivables	8,544	8,263	1,674	1,127
Total other receivables	10,085	20,278	3,215	6,580
Total trade and other receivables - net	56,896	88,569	50,026	74,871

5. Investments in associates

5.1 Details of associates:

(Unit: Thousand Baht)

Consolidated financial statements

Company's name	Nature of business	Country of incorporation	Paid-up capital as at		Shareholding percentage		Carrying amounts based on			
							Cost		equity method	
			31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
			2023	2022	2023	2022	2023	2022	2023	2022
				(Percent)	(Percent)	(Audited)		(Audited)		
Associated companies (held by Zukerman Limited)										
Traders Yangon Company Limited	Hotel	Myanmar	USD 3.6 million	USD 3.6 million	23.53	23.53	30,487	30,902	-	-
Shangri-La Yangon Company Limited	Serviced apartments	Myanmar	USD 2.0 million	USD 2.0 million	22.22	22.22	18,029	18,273	-	-
Traders Square Company Limited	Commercial complex and office for rent	Myanmar	USD 0.1 million	USD 0.1 million	23.56	23.56	719	729	-	-
Total							49,235	49,904	-	-

5.2 Summarised financial information of associates

The financial information of these associated companies for three-month periods ended 31 March 2023 and 2022, and for the year ended 31 December 2022, 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.

(Unaudited but reviewed)

Financial information of the associated companies is summarised below.

(Unit: Thousand Baht)

	Financial statements					
	Traders Yangon		Shangri-La Yangon		Traders Square	
	Company Limited		Company Limited		Company Limited	
	31 March	31 December	31 March	31 December	31 March	31 December
	2023	2022	2023	2022	2023	2022
Total assets	1,157,159	1,171,332	3,298,381	3,332,823	3,433,113	3,570,983
Total liabilities	(3,983,252)	(3,971,463)	(3,958,559)	(3,980,762)	(4,246,867)	(4,364,891)
Net (liabilities)/assets	<u>(2,826,093)</u>	<u>(2,800,131)</u>	<u>(660,178)</u>	<u>(647,939)</u>	<u>(813,754)</u>	<u>(793,908)</u>

(Unit: Thousand Baht)

	For the three-month periods ended 31 March					
	Traders Yangon		Shangri-La Yangon		Traders Square	
	Company Limited		Company Limited		Company Limited	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Total revenue	<u>4,397</u>	<u>2,274</u>	<u>54,819</u>	<u>50,809</u>	<u>50,940</u>	<u>62,159</u>
Loss	<u>(63,174)</u>	<u>(51,835)</u>	<u>(20,815)</u>	<u>(18,421)</u>	<u>(30,328)</u>	<u>(21,203)</u>

5.3 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 March 2023			
	Traders Yangon Company Limited	Shangri-La Yangon Company Limited	Traders Square Company Limited	Total
<u>Interests in associates</u>				
Net assets (liabilities) of associates	(2,826,093)	(660,178)	(813,754)	(4,300,025)
Shareholding percentage (Percent)	23.53%	22.22%	23.56%	
The Group's interests in associates	(664,980)	(146,692)	(191,720)	(1,003,392)
<u>Investments in associates</u>				
Ordinary shares, at cost	30,487	18,029	719	49,235
Less: Cumulative share of losses from investments in associates	(30,487)	(18,029)	(719)	(49,235)
Total	-	-	-	-
<u>Long-term loans to and interest receivables from related parties (Note 3)</u>				
Long-term loans to and interest receivables from related parties	587,022	832,685	903,954	2,323,661
Less: Impairment losses on financial assets	(587,022)	(123,720)	(276,194)	(986,936)
Total - net	-	708,965	627,760	1,336,725
Less: Cumulative share of losses from investments in associates	-	(128,663)	(191,001)	(319,664)
Total long-term loans to and interest receivables from related parties - net	-	580,302	436,759	1,017,061
Unrecognised cumulative share of losses from investments in associates	(634,493)	-	-	(634,493)

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements				
As at 31 December 2022				
Traders Yangon Company Limited	Shangri-La Yangon Company Limited	Traders Square Company Limited	Total (Audited)	
<u>Interests in associates</u>				
Net assets/ (liabilities) of associates	(2,800,131)	(647,939)	(793,908)	(4,241,978)
Shareholding percentage (Percent)	23.53%	22.22%	23.56%	
The Group's interests in associates	<u>(658,871)</u>	<u>(143,972)</u>	<u>(187,045)</u>	<u>(989,888)</u>
<u>Investments in associates</u>				
Ordinary shares, at cost	30,902	18,273	729	49,904
Less: Cumulative share of losses from investments in associates	<u>(30,902)</u>	<u>(18,273)</u>	<u>(729)</u>	<u>(49,904)</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Long-term loans to and interest receivables from related parties (Note 3)</u>				
Long-term loans to and interest receivables from related parties	562,473	841,430	914,125	2,318,028
Less: Impairment losses on financial assets	<u>(562,473)</u>	<u>(125,402)</u>	<u>(279,949)</u>	<u>(967,824)</u>
Total - net	-	716,028	634,176	1,350,204
Less: Cumulative share of losses from investments in associates	<u>-</u>	<u>(125,699)</u>	<u>(186,316)</u>	<u>(312,015)</u>
Total long-term loans to and interest receivables from related parties - net	<u>-</u>	<u>590,329</u>	<u>447,860</u>	<u>1,038,189</u>
Unrecognised cumulative share of losses from investments in associates	<u>(627,969)</u>	<u>-</u>	<u>-</u>	<u>(627,969)</u>

(Unaudited but reviewed)

6. Other non-current financial assets

(Unit: Thousand Baht)

Consolidated
financial statements

	31 March 2023	31 December 2022
		(Audited)
<u>Equity instruments designated at FVOCI</u>		
Listed equity instruments		
Shangri-La Asia Limited - related party	334,995	297,994
Don Muang Tollway Public Company Limited	-	37,183
Total equity instruments designated at FVOCI	334,995	335,177

Movements of the equity instruments designated at FVOCI during the three-month period ended 31 March 2023 are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements

	Shangri-La Asia Limited	Don Muang Tollway Public Company Limited	Total
Fair value as at 1 January 2023	297,994	37,183	335,177
Gain recognised into other comprehensive income	44,349	4,879	49,228
Disposed during the period	-	(42,062)	(42,062)
Translation adjustment	(7,348)	-	(7,348)
Fair value as at 31 March 2023	334,995	-	334,995

During the current period, the subsidiary sold of its equity interest in Don Muang Tollway Public Company Limited which have the fair value on the date of sales of Baht 42.1 million. The accumulated gain recognised in other comprehensive income of Baht 16.9 million net of income tax, was transferred to the Group's retained earnings of Baht 9.7 million and non-controlling interests of the subsidiary of Baht 7.2 million.

Equity instruments were measured at fair value with hierarchy level 1 and there were no transfers within the fair value hierarchy during the current period.

7. Earnings per share

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

8. Segment information

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

The following tables present revenue and profit information regarding the Group's operating segments for the three-month periods ended 31 March 2023 and 2022.

(Unit: Million Baht)

	For the three-month periods ended 31 March											
	Hotel business								Adjustments and		Consolidated	
	Hotel in		Hotel in		Holding Investment		Total segments		eliminations			
	Bangkok		Chiangmai									
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue												
Revenue from external customers	454	98	144	25	-	-	598	123	-	-	598	123
Total revenue	454	98	144	25	-	-	598	123	-	-	598	123
Operating result												
Segment gross profit	324	46	109	10	-	-	433	56	-	-	433	56
Other income	4	3	-	-	-	-	4	3	-	-	4	3
Depreciation and amortisation expenses	(22)	(26)	(17)	(19)	-	-	(39)	(45)	-	-	(39)	(45)
Exchange gains (losses)	-	-	-	-	(27)	(2)	(27)	(2)	7	2	(20)	-
Share of losses from investments in associates	-	-	-	-	(12)	(9)	(12)	(9)	-	-	(12)	(9)
Finance income	3	1	-	-	17	6	20	7	-	-	20	7
Finance cost	7	2	-	-	-	-	7	2	(7)	(2)	-	-
Profit (loss) before income tax expenses	192	(46)	44	(33)	(54)	(6)	182	(85)	-	-	182	(85)
Income tax expenses	(38)	-	(9)	-	(18)	-	(65)	-	-	-	(65)	-
Profit (loss) for the period	154	(46)	35	(33)	(72)	(6)	117	(85)	-	-	117	(85)

9. Commitments and contingent liabilities

9.1 Capital commitments

As at 31 March 2023, the Company had capital commitments of approximately Baht 68 million (31 December 2022: Baht 80 million), relating to the construction and renovation of the hotel building and acquisition of machinery.

9.2 Guarantees

- (1) As at 31 March 2023, there were outstanding bank guarantees of approximately Baht 11 million (31 December 2022: Baht 11 million) issued by a bank on behalf of the Company in respect of electricity usage.
- (2) As at 31 March 2023 and 31 December 2022, the Company has the Counter Indemnity Agreement with the parent company to indemnify the contingent liability relating to loan facilities of its associated company, Traders Yangon Company Limited, in proportion to the subsidiary's shareholding not exceeding USD 11.77 million.

10. Financial instruments

10.1 Fair value of financial instruments

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

10.2 Foreign currency risk

The balances of financial assets and liabilities denominated in foreign currencies of the Group as at 31 March 2023 and 31 December 2022 are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	As at	As at	As at	As at	As at	As at
	31 March 2023	31 December 2022	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		
US dollar	36	37	-	-	34.0988	34.5624

(Unaudited but reviewed)

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	As at	As at	As at	As at	As at	As at
	31 March	31 December	31 March	31 December	31 March	31 December
	2023	2022	2023	2022	2023	2022
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
		(Audited)		(Audited)		
US dollar	-	-	15	15	34.0988	34.5624

12. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 May 2023.

To : Managing Director
The Stock Exchange of Thailand

Date : 8 May, 2023

Re : Management Discussion and Analysis for the period ended 31 March, 2023

The Board of Directors is pleased to announce the Company's results of operation for the period ended 31 March, 2023 as follows: -

Net profit (loss) after corporate income tax for the period ended 31 March, 2023 and 2022:

(Baht in million)	<u>2023</u>	<u>2022</u>	<u>Change</u>
The Company	188.76	(78.78)	339.60 %
Consolidated	116.07	(84.63)	237.15 %

The Company:

The Company's profit before corporate income tax for the period ended 31 March, 2023 increased by Baht 314.73 million against the corresponding period of last year. The increase in the Company's profit was mainly attributed to the increase in profit before income tax of Shangri-La Hotel, Bangkok ("SLBK") by Baht 237.93 million and increase in profit of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 76.80 million.

Revenues from hotel operations of SLBK increased by Baht 356.65 million from Baht 97.67 million to Baht 454.32 million mainly due to the increase in all types of revenue including room, food & beverages and other revenue due to higher occupancy from less restriction and the reopening of border from July 2022 onwards. Gross Profit before expenses increased by Baht 278.62 million. Selling and administrative expenses increased by Baht 13.15 million and Baht 39.08 million, respectively. Depreciation expense decreased by Baht 4.05 million against last year. Finance cost decreased by Baht 4.99 million mainly due to the increase in unrealized gain on revalue of loan from US Dollar loan compared to 2022. As a result, the profit before corporate income tax increased by Baht 237.93 million from loss of Baht 46.04 million to profit of Baht 191.89 million.

Profit before corporate income tax of SLCM increased by Baht 76.80 million as compared to 2022, mainly attributed to higher revenues from hotel operations by Baht 117.77 million from Baht 25.47 million to Baht 143.24 million as a result of higher occupancy mainly contributed from groups segment in February and the relaxation of Thailand travel restrictions. Gross Profit before expenses increased by Baht 99.14 million. Selling and administrative expenses increased by Baht 3.73 million and Baht 20.16 million, respectively. Depreciation Expenses decreased by Baht 1.28 million against last year. As a result, the profit before corporate income tax increased by Baht 76.80 million from loss of Baht 32.74 million to profit of Baht 44.06 million.

Consequently, the total profit of SLBK and SLCM before corporate income tax increased by Baht 314.73 million from loss of Baht 78.78 million to profit of Baht 235.95 million. The Company recorded a net profit after tax of Baht 188.76 million for the period ended 31 March, 2023 compared to loss of Baht 78.78 million last year (increased by 339.60%).

Consolidated:

The consolidated profit before corporate income tax for period ended 31 March, 2023 increased by Baht 266.06 million against last year. The increase in consolidated profit before corporate income tax was mainly due to increase in the Company's profit before corporate income tax of Baht 314.73 million while loss from subsidiaries increased by Baht 48.67 million. The increase in loss of subsidiaries was largely due to the impairment losses on financial assets and increase in exchange loss from loan to a related company. As a result, the corporate income tax expenses increased by Baht 64.19 million as a result of higher profit from the Company. Overall, the consolidated net profit after tax attributable to the equity holders of the Company for the period ended 31 March, 2023 increased by Baht 200.70 million against last year (increased by 237.15%).

Yours faithfully,

(Mrs. Pavinee Meensuk)
Director

Headline: Financial Performance Quarter 1 (F45) (Reviewed)

Security Symbol: SHANG

Announcement Details

Summary of operating result form (F45)

Company name	SHANGRI-LA HOTEL PUBLIC COMPANY LIMITED	
Quarter	Quarter 1	
(In thousands)		
Financial Statement	Quarter 1	
Status	Reviewed	
Ending	31 March	
Year	2023	2022
Profit (loss) attributable to equity holders of the Company *	116,072	(84,631)
EPS (baht)	0.89	(0.65)

Type of report Unqualified opinion

*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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