



SHANGRI-LA



Shangri-La Hotel Public Company Limited



Annual Registration Statement/
Annual Report 2023
(Form 56-1 One Report)

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Vice Chairman's Statement

The year 2023 poses significant challenges for Shangri-La Hotel Public Company Limited ("Company"), navigating through pivotal events. The landscape is shaped by shifts in economic, social, and environmental conditions, coupled with rapid technological advancements. There is a notable resurgence in economic driving factors, with business sectors and activities in Thailand and various global regions trending towards normalization and experiencing substantial recovery. Despite these positive trends, the Thai economy continues to grapple with adverse factors, such as escalating energy costs and inflation, exerting an overall impact on business operations. The tourism industry is a vital component of the Thai economy, generating approximately 12 percent of GDP and employing millions of people. However, the pandemic has had a devastating impact on the industry, with tourist arrivals plummeting by over 80 percent. After enduring extended periods of lockdown and fueled by an intense desire to explore, global travel has witnessed an impressive resurgence. This revival has been primarily driven by the strong demand for leisure travel. Thailand's tourism sector has continued with a notable resurgence in international visitor arrivals during the year of 2023, since the full reopening of the country. A total of 28.0 million foreign tourists were attracted to the country during the period of January to December 2023, marking an impressive 151 percent year-on-year increase and reaching 70 percent of pre-COVID-19 levels. This noteworthy recovery has showcased Thailand's resilience and its enduring appeal as a prominent global travel destination.

Since the full reopening of the country in 2022, the Company has demonstrated remarkable year-on-year growth in operating and revenue targets for 2023, positioning itself as a leader with an impressive 83 percent growth year-on-year and reaching 86 percent recovery level when compared to the pre-COVID-19 era. This resurgence, evident from late 2022 onwards, is particularly pronounced in leisure travel, with luxury hotels being the primary beneficiaries. The past year witnessed substantial growth in Meetings, Incentives, Conferences, and Exhibitions (MICE) activities, as well as business travel. The demand from foreign tourists, whether for meetings or leisure, has surged, resulting in a significant increase in the average daily rate, surpassing pre-COVID-19 levels.

Nevertheless, the Company has implemented a steadfast operational plan and strategy with a continued emphasis on bolstering the upward trajectory of international tourist arrivals. The primary driver behind this momentum is the introduction of online platform packages, particularly in the realm of food and beverage offerings. The Company has devised a comprehensive array of marketing plans and remains flexible, ready to adjust strategies in response to evolving circumstances. This adaptability is aimed at stimulating overall travel demand from foreign tourists. Through these proactive measures, the Company aims to sustain its income levels and achieve its income target for the year 2023.

Results

The consolidated profit before corporate income tax for the financial year ended 31 December 2023 was 323.5 million Baht as against a loss before corporate income tax of 68.2 million Baht during the same period in 2022. The consolidated net profit attributable to the equity holders of the Company for the year was 138.0 million Baht as against a net loss of 80.2 million Baht in 2022. This resulted in profit per share of 1.06 Baht in 2023 as against loss per share of 0.62 Baht in 2022.

As per details provided in the Management Discussion and Analysis section, the hotel performances were as follows:

- **Shangri-La Hotel, Bangkok**

Comparing to the previous year, the hotel's total operating revenues increased by 756.6 million Baht or 80.5%. Occupancy increased by 25.1% points. The Average Daily Rate ("ADR") increased by 919.6 Baht or 19.6%. Food and Beverage revenues increased by 228.9 million Baht or 62.2% and formed 35.2% of the hotel's total operating revenues.

- **Shangri-La Hotel, Chiang Mai**

Comparing to the previous year, the hotel's total operating revenues increased by 224.5 million Baht or 95.1%. Occupancy was higher by 23.1% points. The ADR increased by 1,205.8 Baht or 37.2%. Food and Beverage revenues increased by 67.7% and formed 33.0% of the hotel's total operating revenues.

In 2023, the Company has placed significant emphasis on establishing the bedrock for stable and sustainable growth, demonstrating a strong sense of determination. The organization is committed to collaboratively generating long-term value for both shareholders and stakeholders. Additionally, there is a dedicated focus on fostering sustainable business operations through a meticulous balance across the three crucial dimensions: economy, society, and the environment. This commitment is underpinned by a robust framework of good corporate governance.

Finally, on behalf of the Board of Directors, I sincerely thank and admire for the hard work, diligence, honesty, and dedication of the management and all employees as well as shareholders and business partners of the Company who have trusted and support the Company's operations all along. We will perform our duties responsibly to the best of our abilities so that the organization can grow steadily, sustainably and be able to create appropriate returns for shareholders in the future.



Mr. Maris Pakdeetaveevivat

Vice Chairman and Managing Director

19 February 2024

Financial Highlights

(Million Baht)

Consolidated	2023	2022	2021
Total Assets	7,848.68	7,809.04	7,577.45
Total Liabilities	550.40	516.41	326.29
Shareholders' Equity	7,295.30	7,177.05	7,137.52
Revenues from Hotel Operations	2,157.04	1,175.90	334.51
Total Revenues	2,186.19	1,201.01	355.87
Gross Profit	1,480.21	727.79	82.67
Profit (Loss) before Income Tax	323.54	(68.17)	(582.53)
Net Profit (Loss) after Income Tax	137.99	(80.19)	(492.81)
Gross Profit Margin	68.62%	61.89 %	24.71%
Net Profit (Loss) Margin	6.31%	(6.68) %	(138.48) %
Return on Equity	1.91%	(1.12) %	(6.82) %
Return on Assets	1.76%	(1.04) %	(6.46) %
Assets Turnover (Times)	0.28	0.16	0.05
Book Value per share (Baht)	56.12	55.21	54.90
Earnings (Loss) per share (Baht)	1.06	(0.62)	(3.79)
Dividend per share (Baht)	1.00	-	-

Awards and Certificates

For the year 2023, the hotel received several awards and recognitions as follows:

– Shangri-La Hotel, Bangkok

- Five-star Hotel Standard certified 2023-2025 by Department of Tourism (January 2023)
- The 2023 Forbes Travel Guide Four-Star Award, one of the finest properties in the world, by Forbes Travel Guide, US (February 2023)
- Salathip Thai Restaurant, the “Thai Select” Certificate for Thai Cuisine, by the Ministry of Commerce, Thailand (September 2023 – August 2026)
- The “Best Hotel in Bangkok for Families” Award from the 8 Best Hotels in Bangkok by Forbes Magazine (September 2023)
- Ranked 5th in the Best Hotel in Southeast Asia and 3rd in the Best Hotels in Bangkok on the “Conde Nast Traveler’s 2023 Readers’ Choice Awards” by Conde Nast Traveler, US (October 2023)
- Ranked 3rd in “Best Business Hotel in Bangkok”, Readers’ Poll Travel Awards 2023, by Business Traveller Asia-Pacific Magazine (October 2023)
- The “Best Wedding Location in Bangkok” Award at Praew, The Best Wedding 2023, by Praew Wedding Magazine (November 2023)
- Volti Tuscan Grill & Bar, the European Dining Experience Award at the Lifestyle + Travel Awards 2023, as voted by the readers of Lifestyle + Travel Magazine (November 2023)
- The “ASEAN Green Hotel Standard Certificate 2024-2026” by the Ministry of Tourism and Sports, Thailand (November 2023)

– Shangri-La Hotel, Chiang Mai

- China Kitchen, a Michelin-Recommended Restaurant, 2023
- China Kitchen, Favorite Szechuan, Chiang Mai List of Favorite Restaurants 2023, by Ever Open Door
- TripAdvisor Travelers’ Choice Award (May 2023)
- Chiang Mai Green Kitchen Certificate by Chiang Mai University and Tourism Authority of Thailand (January 2023)
- ASEAN MICE Venue Standard (Meeting Room) Certified (AMVS) by Thailand Convention & Exhibition Bureau (“TCEB”) (1 January 2022 – 31 December 2024)
- Thailand MICE Venue Standard Certified (TMVS) by TCEB (1 January 2022– 31 December 2024)
- Five-star Hotel Standard Certified by Department of Tourism (1 January 2021 – 31 December 2023)
- Green Health Hotel Certified by Department of Health (13 September 2021 – 12 September 2023)



Part 1

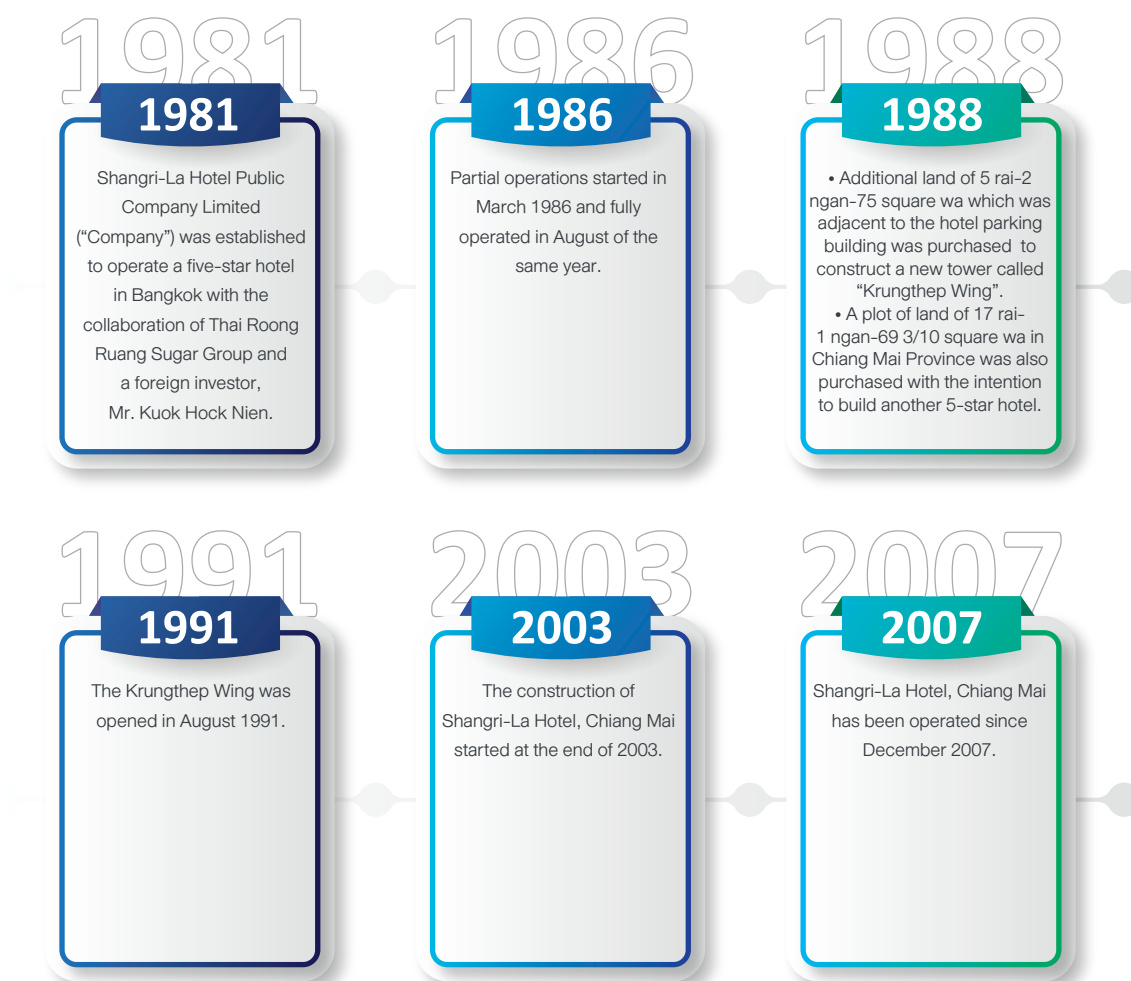
Business Operation and Operating Results

1. Organizational Structure and Operation of the Group of the Companies

1.1 Policy and Operation of the Company

The Company has established comprehensive policies and strategic directives to guide its business operations. These include ongoing business development plans designed to foster stable growth and sustainable profitability. Emphasis is placed on sustainable business practices, ensuring a harmonious balance across the three dimensions: economy, society, and environment. A commitment to good corporate governance further underscores the Company's dedication to transparency and accuracy, with the belief that adhering to these principles will yield long-term benefits for shareholders. Moreover, the Company recognizes the significance of compliance with both good corporate governance principles and the ESG (Environmental, Social, and Governance) sustainability concept. This dual commitment is seen as a strategic approach to maximizing benefits for shareholders. In addition to strategic governance considerations, the Company places paramount importance on its human resources. Acknowledging that a successful business is rooted in efficient human resource management, the organization considers its workforce the core driver of success. By prioritizing the well-being and effectiveness of its employees, the Company aims to create a welcoming and thriving work environment, further enhancing its overall business performance.

Shangri-La Hotel Public Company Limited was established to operate a five-star hotel in 1981. There are important changes as follows:



1.1.1 Vision, Mission, Goals and Strategies for Operations



1.1.2 Major changes and developments

During the year 2023, the following matters have been resolved:

– At the Board of Directors’ Meeting No. 1/2023 held on 20 February 2023:

1. That the appointment of Mr. Nutthapol Asadathorn as a Director of the Company in place of Mr. Somkiat Asadathorn be approved with effect from 20 February 2023. Mr. Somkiat Asadathorn has resigned from the directorship of the Company with effect from 20 February 2023.

2. That the authority of directors be amended to read as follows

“Any two of Mr. Maris Pakdeetaveevivat and/or Mr. Chan Kong Leong and/or Mr. Lee Hui Yeow and/or Mrs. Chanida Asdathorn and/or Mr. Surin Asdathorn and/or Mr. Nutthapol Asadathorn and/or Mrs. Pavinee Meensuk to sign jointly and affix the Company’s seal.”

– At the Annual General Meeting of Shareholders No. 1/2023 held on 27 April 2023:

1. That the appointment of Mr. Wu Hoi Fai Alfred as a new director to replace Mr. Lee Hui Yeow who retired by rotation be approved;

2. That the amendment of the authority of directors who are authorized to sign to bind the Company be approved as follows:

“Any two of Mr. Maris Pakdeetaveevivat and/or Mr. Chan Kong Leong and/or Mr. Wu Hoi Fai Alfred and/or Mrs. Chanida Asdathorn and/or Mr. Surin Asdathorn and/or Mr. Nutthapol Asadathorn and/or Mrs. Pavinee Meensuk to sign jointly and affix the Company’s seal”.

Following the appointment of a new director replacing a director who retired by rotation, the total number of directors remain the same as last year which is 11 directors. Among the 11 directors, 4 of them are independent directors.

1. Mr. Maris Pakdeetaveevivat (Vice Chairman and Managing Director)
2. Mr. Chan Kong Leong
3. Mr. Wu Hoi Fai Alfred
4. Mrs. Chanida Asdathorn
5. Mr. Surin Asdathorn
6. Mr. Nutthapol Asadathorn
7. Mrs. Pavinee Meensuk
8. Mr. Kovit Poshyananda (Independent Director)
9. Mr. Jayavadh Bunnag (Independent Director)
10. Mr. Kledchai Benjaathonsirikul (Independent Director)
11. Mr. Supot Singhasaneh (Independent Director)

– At the Board of Directors’ Meeting No. 5/2023 held on 13 November 2023:

That the re-appointment of the members of the Audit Committee of the Company for another term of 2 years with effect from 15 November 2023 be approved. The Scope of Work of the Audit Committee remains unchanged.

The Audit Committee consists of:

1. Chairman of the Audit Committee: Mr. Kovit Poshyananda
2. Member of the Audit Committee: Mr. Jayavadh Bunnag
3. Member of the Audit Committee: Mr. Kledchai Benjaathonsirikul

Secretary to the Audit Committee: Ms. Pasthatee Theerajittiwong

Moreover, the appointment of Mr. Supot Singhasaneh as a new member of Audit Committee of the Company be approved with effect from 15 November 2023.

Following the appointment of a new member of Audit Committee, the total number of Audit Committee will be 4 members as follows:

1. Chairman of the Audit Committee: Mr. Kovit Poshyananda
2. Member of the Audit Committee: Mr. Jayavadh Bunnag
3. Member of the Audit Committee: Mr. Kledchai Benjaathonsirikul
4. Member of the Audit Committee: Mr. Supot Singhasaneh

In addition, Mr. Chan Kong Leong resigned from being a director of the Company with effective from 31 December 2023 and no new director have been appointed to replace.

Subsequent to the purchase of land for developing a new four-star hotel under the brand “Hotel Jen” (the “New Hotel Project”) from January 2020 until December 2023, the Company has taken various factors including the economic status, political situation, the hospitality industry and consumer behaviors into consideration and will further decide on how to proceed with the Project plan and timeline as COVID-19 situation develops. In case the Company decides to further proceed on the development of the New Hotel Project, the Company will disclose the updated status once the details are finalized.

1.1.3 Fundraising objectives

-None-

1.1.4 Obligations that the Company promises in the securities offering registration statement and/or the office’s licencing conditions.

-None-

1.1.5 Corporate Information

Name

Shangri-La Hotel Public Company Limited

Registration Number

0107537001773

Registered Office

Head Office: 89 Soi Wat Suan Plu, New Road, Bangrak, Bangkok 10500

Telephone: 0 2236 7777 Facsimile: 0 2236 8579

E-mail: bangkok@shangri-la.com

Website : www.shangri-la.com/bangkok

Branch Office: 89/8 Chang Klan Road, Muang District, Chiang Mai Province 50100

Telephone: 053-253-888 Facsimile: 053-253-800

E-mail: chiangmai@shangri-la.com

Website: www.shangri-la.com/chiangmai

Corporate website

www.shangri-la.com/group/investors/public-disclosures-thailand

Registered and Issued Capital

Registered and Issued Capital is Baht 1,300 million, divided into 130 million ordinary shares, at a par value of Baht 10 each, fully paid-up.

Share Registrar

Thailand Securities Depository Co., Ltd.

14th Floor, 93, Ratchadaphisek Road, Din Daeng, Bangkok 10400

Telephone: 0 2009 9999

Auditors

EY Office Limited

33rd Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 10110

Telephone: 0 2264 0777 Facsimile: 0 2264 0789

Legal Adviser

Baker & McKenzie Co., Ltd.

22-26/F., Abdulrahim Building, 990 Rama IV Road, Bangkok 10500

Telephone: 0 2636 2222 Facsimile: 0 2636 2000

Consultant Under the Licence Agreement and the Marketing and Promotion Agreement

Shangri-La International Hotel Management Pte. Ltd.

1 Kim Seng Promenade, #07-01 Great World City, 237994, Singapore

Telephone: (65) 69185660

1.2 Business Overview

The Company's principal activities are those of a hotelier which provides lodging, food and beverage services, facilities for conferences and functions and others services and facilities in connection with hotel business and investment holding. The Company currently manages two properties as follows:

1. Shangri-La Hotel, Bangkok
2. Shangri-La Hotel, Chiang Mai

– Subsidiaries

Town Development Co., Ltd. ("TDCL"), a wholly owned subsidiary of the Company, was incorporated in Thailand. TDCL has no business other than investments in the various companies as follows:

1) Apizaco Limited ("Apizaco"), a wholly owned subsidiary of TDCL, was incorporated in Hong Kong. Apizaco has no business other than investment in other companies as follows:

1.1) Holding 10,501,055 shares in Shangri-La Asia Limited ("SA"), representing 0.29 percent of the total issued and paid-up capital of SA; and

1.2) Holding 100 percent interest in Zukerman Limited ("Zukerman") which was incorporated in British Virgin Island. Zukerman has no business other than investments in 3 companies in Myanmar as follows:

1.2.1) Holding 23.53 percent interest in Traders Yangon Company Limited;

1.2.2) Holding 22.22 percent interest in Shangri-La Yangon Company Limited; and

1.2.3) Holding 23.56 percent interest in Traders Square Company Limited.

2) Hasfield Holdings Pte Ltd ("HHL"), a wholly owned subsidiary of TDCL, was incorporated in Singapore. HHL now has no business.

3) TRR-Kerry Development Co., Ltd. ("TRR-Kerry"), a subsidiary in which TDCL has a 57.33 percent interest, was incorporated in Thailand. It does not engage in any other business other than investment in Don Muang Tollway Public Company Limited ("DMT"). The remaining of 3,411,200 ordinary shares (0.29 percent) in DMT were sold out in February 2023. During the year 2023, TRR-Kerry underwent a reduction in its registered capital, decreasing from 231 million Baht to 3.61 million Baht.

4) Traders Hotel and Resort Limited ("THRL"), a wholly owned subsidiary of TDCL, was incorporated in Thailand. THRL now has no business.

– Associated Companies

The Company's associated companies are as follows:

1) Traders Yangon Company Limited operates Sule Shangri-La Hotel (formerly known as Traders Hotel Yangon), an international 5-star hotel in Yangon, Myanmar for residential, food and beverage services, facilities for conferences and functions and other services and facilities in connection with the hotel business.

2) Shangri-La Yangon Company Limited developed and operates 2 towers of serviced apartments - Shangri-La Residences, Yangon located in Yangon, Myanmar. Shangri-La Residences, Yangon (Tower 1) was opened

to operate on 21 November 2013 and Tower 2 was opened to operate on 21 October 2014. Total inventory of the two towers is 240 units.

3) Traders Square Company Limited developed a retail center and office tower complex in Yangon, Myanmar. Sule Square. The project was opened to operate on 1 December 2016. The project comprises of shopping mall, office spaces and a car park.

1.2.1 Revenue Structure

The comparison of revenues for three years is as follows:-

Main	Operated by	Equity Interest (percent)	2023		2022		2021	
			Revenue		Revenue		Revenue	
			Million baht	percent	Million baht	percent	Million baht	percent
Hotels and restaurants	Shangri-La Hotel Public Company Limited:-	100 %						
	- Revenues from hotel operations							
	- Room Revenue		1,281.45	58.62	620.89	51.70	110.53	31.06
	- Food & Beverage Revenue		748.68	34.25	458.42	38.17	154.77	43.50
	- Departmental Revenue		126.91	5.80	96.59	8.04	69.21	19.44
	- Other income		29.15	1.33	25.12	2.09	21.36	6.00
Grand operating income			2,186.19	100.00	1,201.02	100.00	355.87	100.00

1.2.2 Product/Service information

(1) Product or Service Characteristics and Business Innovation Development

Product or Service Characteristics

- Shangri-La Hotel Public Company Limited and Traders Yangon Company Limited

Both mentioned companies operate hotel and hotel service which can be divided into 3 main parts:

1. Accommodation Service
2. Food and Beverage Service
3. Other services i.e. laundry, business center, health center, banquet, and seminars

The majority of the Company's customers are international tourists visiting Thailand and businessmen both domestically and aboard.

- Shangri-La Yangon Company Limited

Shangri-La Yangon Company Limited is a company operating Shangri-La Residences, Yangon project. It is a serviced apartment in Yangon, Myanmar. Shangri-La Residences has 2 Towers, Tower 1 opened on 21 November 2013 and Tower 2 opened on 21 October 2014. There are 240 rooms in total.

– Traders Square Company Limited

Traders Square Company Limited is a company engaged in rental business for shopping centers and office space, named Sule Square Mall & Offices, Yangon in Yangon, Myanmar. The project was opened on 1 December 2016. The project consists of rental space for shopping centers and offices.

– Town Development Company Limited, TRR-Kerry Development Co., Ltd., Apizaco Limited and Zukerman Limited

Investment Holding.

– Hasfield Holdings Pte. Ltd. and Traders Hotels & Resorts Limited

Dormant.

Business Innovation Development

The Tourism Authority of Thailand (TAT) unveiled its marketing plan for 2023, emphasizing its commitment to revitalizing and reforming Thai tourism. The primary focus is on achieving a robust and sustainable recovery for the tourism sector. The plan also highlights the increased utilization of electronic technology and a more responsible, participatory approach to tourism.

The overarching strategy involves implementing a communication strategy that positions Thailand as a premier global tourist destination catering to diverse needs. This is encapsulated by the concept “From A-Z: Amazing Thailand Has It All,” complemented by the 5F/4M framework, representing the facets of Thai soft power. This soft power extends to encompass food, movies, fashion, festivals, fights, music, museums, masters, and technology.

In alignment with the government marketing plan, the hotel industry is adapting to a “new normal” that underscores the importance of social distancing and minimizing physical interaction. Recognizing that reverting to traditional practices may not entirely align with evolving consumer needs, tourism and hotel operators are proactively adjusting their business operations to prioritize long-term sustainability.

The Company has introduced service innovations as part of its ongoing efforts to enhance its operations. In alignment with business goals and strategies, the incorporation of information technology has played a pivotal role. This initiative aims to elevate the quality of work processes and boost efficiency by leveraging modern technology. The adoption of advanced systems, such as reservation systems, guest registration systems, bill collection systems, room status monitoring, data control and security systems, restaurant billing systems, and internet-connected ordering devices accessible via smartphones, enables the Company to better cater to the diverse needs of consumers.

Furthermore, recognizing the growing consumer demand for environmental responsibility, the Company prioritizes sustainability. To address this, the Company implements innovations aimed at reducing energy consumption. It also seeks certifications affirming that its hotel products and services adhere to environmentally friendly practices, and actively works to minimize waste generation.

The Company prioritizes health and hygiene as a paramount concern. Despite the global decline in COVID-19 cases, tourists continue to harbor concerns about potential outbreaks. In response, the Company diligently adheres to guidelines from local and national health authorities. Visible awareness messages emphasize the importance

of maintaining social distance throughout the premises. All employees undergo comprehensive training on COVID-19 safety measures and basic disinfection protocols. Specialized training is provided to cleaning staff, equipping them with the skills needed for advanced cleaning and disinfection in potentially contaminated rooms. The Company mandates the use of masks in all areas where food is prepared and ensures the installation of handwashing stations and hand sanitizer dispensers with an alcohol content exceeding 60 percent. These measures not only prioritize the safety of guests and employees but also contribute to enhancing the Company's image and brand.

The Company manages a service-oriented hotel business, demanding exceptional business strategies to ensure perpetual leadership in the industry. Key business components encompass a dedicated emphasis on management innovation, an ongoing commitment to fostering new forms of internal collaboration, and the continual development of the expertise of experienced employees through regular training aligned with the global standards set by the Shangri-La Group. Maintenance of various tools, appliances, and facilities within the hotel business is crucial and requires regular attention to ensure optimal functionality. This commitment to careful upkeep is essential to guarantee their consistent utility, contributing to the highest level of efficiency for the utmost satisfaction of service users.

Furthermore, the Company harnesses the power of social media for communication and information dissemination to its customers. It leverages awareness-building messages to influence booking decisions on both the hotel's official website (Shangri-la.com) and its online store (www.shangrila-eshop-bangkok.com). This also includes the integration of various channels for accepting payments for rooms and additional hotel services, offering convenience through features like scanning QR codes for product payments, ultimately enhancing the overall user experience.

The Company's management realizes the importance of the continued development of services and thus encourages employees in all departments and functions to participate in the "Your Voice" Program. The employees at all different levels and functions will be able to share ideas and experiences in providing highest standard to our guests. With our anticipation to continue to grow and improve our services, we are always eager to create a more innovative way of work such as implementing our own e-commerce website for takeaways and e-shop to promote hotel products and increase distribution channel and reducing paper usage by scanning and saving daily log report in soft files. The advantage is to save paper and save the environment. The benefit of digitalizing data's is that the records can be saved for many years. It also saves storing space and data can be extracted easily. This improves the way of work and cost-saving at the same time.

Rights and Restrictions on Business Operations

The Company's major rights and restrictions on doing business are prescribed under two agreements which are the Marketing and Promotion Agreement ("Marketing and Promotion Agreement") and the Licence Agreement ("Licence Agreement"). The specific details of these agreements are as follows:

1) Marketing and Promotion Agreement

The Company has entered into the Marketing and Promotion Agreement dated 1 January 1986 and as amended by an Addendum dated 1 June 2007 with Shangri-La International Hotel Management Limited ("SLIM"). The said Marketing and Promotion Agreement may be terminated with effect from the end of any calendar year by either party giving to the other a minimum of four months' notice in writing.

Later in 2019, the Company has entered into the deeds of novation ("Deed") for the Marketing and

Promotion Agreement. As a result of entering into the Deed, the party to the Marketing and Promotion Agreement has been novated from SLIM to Shangri-La International Hotel Management Pte Ltd. ("SLIM SG") which is a fellow subsidiary of SLIM (SLIM is a wholly owned subsidiary of Shangri-La Asia Limited ("SA")) with effect from 1 January 2020. All commercial terms and conditions of the Marketing and Promotion Agreement shall remain unchanged. SLIM SG shall assume the benefits, rights, duties and obligations of SLIM under the Marketing and Promotion Agreement with effect from 1 January 2020.

SLIM SG has provided the Company with marketing and promotion services such that Shangri-La Hotel, Bangkok ("SLBK") and Shangri-La Hotel, Chiang Mai ("SLCM") be portrayed as part of the Shangri-La Group of Hotels with effect from 1 January 2020.

2) Licence Agreement

The Company has entered into the Licence Agreement dated 1 January 1990 as supplemented and amended by addendums dated 1 June 2007 and 24 September 2009 with Shangri-La International Hotel Management B.V. ("SLIM BV") ("Licence Agreement"). The said Licence Agreement shall expire on 31 December 2029 and the Company has an option to renew the Agreement on substantially the terms and conditions for a further period of 20 years.

Later in 2019, the Company has entered into the deeds of novation ("Deed") for the Licence Agreement. As a result of entering into the Deed, the party to the Licence Agreement has been novated from SLIM BV to SLIM SG which is a fellow subsidiary of SLIM (SLIM is a wholly owned subsidiary of SA) and SLIM BV is a wholly-owned subsidiaries of SA with effect from 1 January 2020. All commercial terms and conditions of the Licence Agreement shall remain unchanged. SLIM SG shall assume the benefits, rights, duties and obligations of SLIM BV under the Licence Agreement with effect from 1 January 2020.

With effect from 1 January 2020, SLIM SG is the Licensor granting the Company a non-exclusive licence to use the copyrights, trademarks, know-how and other rights subsisting in the Shangri-La System for operating SLBK and SLCM within the specified districts in Thailand.

(2) Industry and Competition

In 2023, there is anticipated growth in the income of the hotel and accommodation business, propelled by an improved tourism sector, including increased domestic travel among Thai citizens. Moreover, the expected surge in foreign tourists in 2023 is projected to nearly double from 2022, presenting a significant positive influence on the industry. Despite positive trends in event organizing activities with an anticipated rise in conferences and seminars compared to 2022, the recovery of the hotel and accommodation business remains delicate and uneven. The industry faces ongoing challenges as uncertainties persist in the tourist market, compounded by the lingering impact of the COVID-19 risk and other environmental factors. Concerns include the potential entry of major world economies into recession due to various global issues, including high inflation rates, energy price fluctuations, and escalating tensions between Russia and Ukraine leading to a more severe energy crisis in Europe. These factors pose potential hurdles to the recovery of the international tourist market in 2023. Additionally, the hotel and accommodation sector grapples with heightened competition, driven by the emergence of new tourist destinations and an increasing influx of new accommodations entering the market. Concurrently, entrepreneurs face rising costs across various fronts, encompassing

product prices, energy, and financial costs such as interest rates, posing operational challenges for business plans in 2023.

The Tourism Authority of Thailand (TAT) projects a continued growth in both domestic and international tourism. By the end of 2023, it anticipated a minimum of 28 million foreign tourists, constituting 70 percent of the pre-COVID-19 outbreak levels. This upsurge in tourism, both domestically and internationally, is poised to play a pivotal role in the country's economy, generating an estimated 1.03 trillion Baht in income from tourism. The hotel and accommodation sectors are expected to experience a robust recovery. Key destinations for Thai tourists, particularly in the western and northern regions, are anticipated to thrive, while sectors catering to foreign tourists, such as those targeting markets in Asia and the Middle East, are expected to show improvement. Furthermore, hotel groups specializing in organizing events and seminars, particularly those capturing the seminar market of government agencies and international organizations, are likely to experience a positive recovery. The outlook suggests a promising chance for overall sector recovery.

Furthermore, the tourism industry in Thailand is experiencing a significant resurgence in 2023. After a challenging period during the COVID-19 pandemic, the sector is set for a robust recovery, aligning with key considerations that currently shape the role of tourism in Thailand.

Thailand is expected to attract an estimated 28 million international tourists in 2023. This marks a substantial increase from the 11.8 million tourists in 2022 and is a clear indication of industry's recovery trajectory. The influx of tourist is projected to inject approximately Baht 1.5 trillion (USD 43.5 billion) into the Thai economy. This is as significant uplift from the past years, showcasing the vital role of tourism in Thailand's economic landscape. On average, a tourist spends about USD 167 per day in Thailand, with an average stay duration of 9 days. This spending pattern is a critical factor in the financial impact of tourism on the local economy.

The tourism pattern in Thailand varies across the year. Key periods include the Chinese New Year in January-February, attracting significant numbers of visitors, and the Songkran Festival in March-April. The monsoon season, starting in May, sees a decrease in tourism, while the period from October to December experiences a surge in tourist numbers due to favorable weather conditions, the Thai government and tourism authorities are focusing on revitalizing the industry with a particular emphasis on attracting high-value tourism. This includes enhancing the quality of tourism experiences and promoting sustainable practices.

The Thai tourism sector is poised to play a pivotal role in driving the economy in 2023, making its recovery crucial for the overall economic well-being of the country. Given its significant contribution to GDP, tourism serves as an integral component of economic stability in Thailand. The focus is on fostering a sustainable tourism industry that strikes a balance between societal needs and environmental considerations. The recovery in tourism presents numerous opportunities for travel and hospitality professionals, encompassing investment prospects, service enhancements, and innovative offerings tailored to meet the evolving needs of both domestic and international travelers.

Since fully reopening in late 2022, Bangkok's hotel occupancy levels have experienced a consistent increase, reaching an impressive average occupancy rate of 68 percent for a luxury segment, during eleven months of 2023. This represents a significant growth of 14.8 percentage points when compared to the same period in the previous year. Throughout the period, Bangkok's luxury occupancy rates have remained relatively stable, fluctuating between 62 and 73 percent. Even during the low season in the second quarter of 2023, the occupancy rate did not

witness a significant drop. This positive trend has instilled the industry with optimistic expectations for the ongoing recovery of the hotel in Bangkok. The increase in demand from international visitors has led to a considerable rise in the rate which marks a noteworthy +24.4 percent increase compared to the previous year. In the first half of 2023, five new hotels opened in Bangkok, adding a total of 1,310 rooms in the upscale and midscale segments. These hotels are Dusit D2 Samyan (179 rooms), Eastin Grand Hotel Phyathai (494 rooms), ASAI Bangkok Sathorn (106 rooms), Staybridge Suite Sukhumvit (411 rooms) and Best Western Ratchada (120 rooms). Looking ahead, seven more hotels are expected to open towards end of the year or early 2024, contributing an additional 1,667 rooms to the hotel inventory in Bangkok.

Despite the challenges posed by the country's internal turmoil and the Israeli-Hamas conflict, which has impacted the recovery of Thai tourism, there is an expectation that by the end of this year, the occupancy rate will narrow the gap and approach the pre-COVID-19 levels, particularly during the peak season.

The hotel in Chiang Mai has experienced growth since the beginning of the year 2023. This can be attributed to an increase in direct flights from overseas, especially from Korea. Furthermore, on 9 January 2023, the Chinese government opened the border with a PCR test requirement for return to China.

Since the second quarter, there have been more international flights to Chiang Mai, totaling 1,825 flights, along with 4,827 domestic flights, resulting in a grand total of 6,652 flights. This is a significant increase compared to the first quarter when there were only 1,405 international flights (an increase of 420 flights). However, domestic flights decreased by 873 flights from the first quarter, which had 5,700 flights, due to declining local demand. Nevertheless, this decline in domestic flights is offset by a positive sign for international arrivals, with the majority of the increase coming from China (via Air Asia, including Changsha, Hangzhou, Beijing, and Singapore), as well as from Korea. It's noteworthy that Korean flights not only served Korean passengers but also saw a significant number of passengers from the United States of America and South America.

The trend of guest arrivals has been more focused on short lead pick-ups, especially in June, primarily from the Chinese and Middle Eastern markets. The summer holiday period has exhibited a positive trend for this year. Additionally, local Thai residents have also been traveling to Chiang Mai during the winter and festive periods.

However, this year's Loy Krathong festival in Chiang Mai experienced a notable increase in tourists, surpassing the Tourism Authority of Thailand's (TAT) expectations of over 170,000 participants, generating more than 1,000 million Baht.

The Tourism Authority of Thailand (TAT) has provided an update on the latest tourism situation, confirming that foreign tourists for the year 2023 are expected to exceed the 28 million targets. However, there is a warning that tourism revenue is projected to fall short of the target by 400 billion Baht. The main reasons for this discrepancy are ongoing global economic issues and challenges in air travel returning to its previous state. This has particularly affected long-haul travelers to Thailand, especially those from European markets, which have experienced less traffic compared to nearby markets.

In 2023, Malaysian tourists have emerged as the top visitors to Thailand, totaling 4.59 million people who spent an average of 26,000 Baht per person per trip. Meanwhile, the number of Chinese tourists, initially expected to range between 4 to 4.04 million visitors for the year, is now projected to decrease to approximately 3.4 to 3.5 million visitors. This decline in Chinese tourist numbers is attributed to economic challenges in China and the Chinese government's emphasis on promoting domestic tourism.

Furthermore, in 2023, the MICE business experienced a significant increase, with the hotel attracting numerous incentive events from around the world, predominantly from Korea.

- **Shangri-La Hotel, Bangkok**

Number of Competitors

According to Colliers Thailand, a real estate and investment consulting firm, there are a total of 3,725 new rooms from 13 luxury hotels scheduled to open in Bangkok in 2023-2025. Some 1,122 units are scheduled to open in 2023, followed by 1,934 in 2024 and 669 in 2025.

Riverside locations on Charoen Krung Road and the Sathon-Rama IV area have become the hot zones in Bangkok where many new luxury hotel rooms are projected to open in 2023-2025, according to Colliers Thailand. Locations along the Chao Phraya River on Charoen Krung Road would have the largest number of new luxury hotel rooms, with 1,841 keys from five hotels opening in the next few years. The second-largest new supply of luxury hotel rooms will be in the Sathon-Rama IV area, with a total of 1,161 rooms from three hotels.

Bangkok's most anticipated openings-2023 & 2024

- Dusit Thani Bangkok Hotel (257 rooms) will open in the second half of 2024, as part of Dusit Central Park, mixed-use development opposite Lumpini Park in the heart of Bangkok.
- The Ritz Carlton Bangkok (260 rooms) will be part of One Bangkok, an integrated district consisting of offices, hotels, retail and residential, located at immediate east of Lumpini Park – projected to open in September 2024.
- Andaz One Bangkok (244 rooms) also part of One Bangkok – projected to open in Q3-2024.

Major Issues Affecting Competitiveness

As Thailand's tourism industry makes a strong recovery following the lifting of travel restrictions and reopening of borders, business operators are finding themselves with a new challenge -- a shortage of staff to meet the surge in demand. The tourism industry and related businesses are saddled with labor shortage as many workers forced to leave the industry during the COVID-19 pandemic have not returned. Front desk staff, food and beverage service workers and spa massage therapist are among those who are most sought after.

Competitiveness

Nestled along the large riverfront setting resides Shangri-La Hotel, Bangkok, an enchanting riverside retreat in the heart of a vibrant city. Here, guests are hosted with friendly and thoughtful service, entertained by innovative dining experiences and immersed with ease in the authentic Bangkok surrounds. With direct access to the Skytrain, public ferries terminal and buses, the hotel is a lovely gateway to explore and discover Bangkok. Being the largest urban-resort hotel in the riverside area with full functionalities, prime location and accessibility to all modes of transport including variety choices of food and beverage that strengthens the hotel as one of the leading hotels in Bangkok.

- **Shangri-La Hotel, Chiang Mai**

Number of Competitors

The new competitive set was approved in December 2023, following the change from Movenpick Suriwong to Melia Chiang Mai. Our current competitive set now includes dusitD2 Chiang Mai (130 rooms), Chiang Mai Marriott

Hotel (383 rooms), Anantara Chiang Mai Resort & Spa (84 rooms), and Melia Chiang Mai (260 rooms). Additionally, as of January 10, 2024, there are 1,892 hotels listed on Booking.com for the Chiang Mai market.

Major Issues Affecting Competitiveness

Major issues affecting Shangri-La Chiang Mai include competitors renovating their hotels. For instance, Anantara Chiang Mai completed its renovation in February, unveiling a new rooftop bar, restaurant, expanded private pier, and a new cruise. Le Meridien rebranded into a Marriott on 1 November, fully renovating the entire hotel and introducing a new Chinese restaurant. Intercontinental opened phase one on 6 December, featuring 240 renovated rooms in the main building. However, phase two, consisting of low-rise buildings and villas with 54 rooms, is scheduled to open in 2025.

Competitiveness

Shangri-La Hotel, Chiang Mai, stands as the city's premier five-star hotel, offering the largest outdoor facilities for families. Our dedicated family concierge ensures a fuss-free and fun-filled stay, complemented by the city's largest free-form swimming pool, making it an ideal choice for families. We will further enhance our focus on the Family market.

The hotel will maintain its position as one of the leading MICE hotels and top wedding venues in Chiang Mai. Considering the possibility of demand surpassing the hotel's supply in the city, we aim to solidify our standing in these segments.

Recognizing the emerging market of wellness aficionados among leisure travelers, we see an opportunity to explore and cater to this segment.

Moreover, our Food and Beverage offerings have become a 'Social Hotspot', featuring various activities such as pool parties, guest chef appearances, and celebrity chef events. Our outside catering service competes effectively for events of various sizes, especially high-end quality occasions.

The success of our croissant has been continuous, and we have introduced a new line of pastry products to meet market needs in 2023. This has contributed to the hotel's popularity among the local community as a bakery shop. Additionally, leveraging the success of China Kitchen being listed as Michelin Recommended enhances our appeal to a discerning audience.

Economic and Political Situations

According to the Travel Daily News, Thailand's tourism industry in 2023 experiences a significant resurgence, attracting an estimated 28 million visitors and injecting a substantial amount into the economy, signaling a robust recovery and substantial economic contribution. The influx of tourists is projected to inject approximately 1.5 trillion Baht (USD 43.5 billion) into the Thai economy. This is a significant uplift from the past years, showcasing the vital role of tourism in Thailand's economic landscape.

The Thai tourism industry was one of the hardest hit during the pandemic, with a reduction from 40 million tourists in 2019 to just over 11 million in 2022. Although the expected numbers for 2023 show a considerable recovery, it might still take time for the industry to reach its pre-pandemic peak.

Thailand's tourism sector continues its recovery, with expectations of foreign tourists more than doubling from 2022 to reach 18.5 million individuals. This surge is attributed to compensatory travel demand arising from the COVID-19 situation. Post the country's reopening, travel behavior predominantly favors short-haul destinations, benefiting

Thailand, particularly from neighboring countries such as India and the Middle East. Consequently, Indian tourists have emerged as the second-largest group in the foreign tourist market, following Malaysia. Furthermore, the Middle East market, characterized by high purchasing power, has shown remarkable growth, contributing significantly to tourism income. This growth is crucial as the nation awaits the return of Chinese tourists, projected to commence in the second half of 2023. This recovery is vital for the country's overall economic health, especially considering the sector's contribution to the GDP. For travel and hospitality professionals, this resurgence offers numerous opportunities in terms of investments, service enhancements, and innovative offerings tailored to the evolving needs of international and domestic tourists.

This analysis pertains to the examination of business profitability, delineated through earnings before interest and taxes (EBIT). It reveals that a 1 percent escalation in interest rates will result in a reduction of business profits. However, the magnitude of this impact varies, categorized into two distinct groups: 1. Business groups experiencing a moderate to slight impact, predominantly comprising entities with elevated profit potential, such as power plants and healthcare establishments. 2. Business groups undergoing a high impact, observed notably in groups with lower profit potential, exemplified by the hotel industry with a profit potential of 3 percent. An increase of 1 percent in interest rates is anticipated to lead to a 0.5 percent decline in profits.

In October the Thai economy continued to recover on the back of domestic demand, driven by private consumption and investment. However, activities in service sector slowed down, following lower numbers of both Thai and foreign tourists. In addition, the value of merchandise exports, excluding gold, declined after a good expansion in the preceding period and was in line with manufacturing production. Meanwhile, public spending contracted from lower capital expenditures. On the economic stability front, headline inflation declined from lower energy and fresh food prices due to government subsidies on diesel, lower benzene prices as well as the high base last year in fresh food prices. Meanwhile, core inflation remained stable from the previous month. The labor market conditions continued to improve. The current account registered a lower surplus, following a smaller surplus in the trade balance. As for exchange rates, the Thai Baht against the US dollar, on average, depreciated due to adjustment of the market expectation that the US interest rate will likely stay high for a certain period as well as the uncertainty of the impact from the conflict between Israel and Hamas.

The number of foreign tourist arrivals, after seasonal adjustment, decreased from the previous month from lower Russian tourists after a good expansion in the preceding periods, while Malaysian tourists postponed their trips to November as additional holidays were announced for that month. Nevertheless, tourist arrivals from several nationalities continued to increase, including tourists from China, partly due to visa exemption scheme, and tourists from Europe, especially the UK and Germany. Tourist expenditures softened and were consistent with lower numbers of tourist and the occupancy rate.

The Tourism Authority of Thailand (TAT) has announced the 2024 strategic direction that will continue to elevate the tourism supply and sustainable standards, as well as leverage Thai soft powers to promote and develop high-value and sustainable tourism in Thailand.

TAT has set an overall revenue target in the best-case scenario of 3 trillion Baht. This constitutes 1.92 trillion Baht from international tourism and 1.08 trillion Baht from domestic tourism. TAT expects to welcome 35 million foreign tourists and inspire 200 million domestic trips in 2024.

Domestic market promotion will prioritize stimulating Thais to travel within Thailand, increasing travel frequency, and distributing tourism income to local communities, aiming to generate income for all sectors equally. The 'Northern Region' invokes nostalgia through local arts and crafts and the soft power of the North.

The hotel industry is expected to experience an accelerating rate of recovery from 2022 to 2024 as it emerges from two years of deeply depressed conditions. The business trend in 2023 has been affected by global economics, particularly with the reduction of Chinese tourists compared to the pre-COVID period. However, in 2024, the hotel will extend promotions to stimulate demand across all segments, ensuring that we stay ahead of our competitive set and gain market share.

The Myanmar Economy & Political Situation

A Military coup occurred on 1 February 2021 and subsequently the State Administrative Council (SAC) now governs the country. During 2023 Myanmar has seen changes occur in tribal and ethnic areas. Some of these groups have collaborated to place pressure on the SAC. Since November 2023 the National Unity Government (NUG), the Peoples Deference Force (PDF) and other Independent Armed Organizations (IAOs) are reported to have secured key roads and bridges and some land border crossings. The regions affected are predominantly well beyond Yangon. Tourist travel to areas such as Magway, Sagaing, Rakhine, Bago, Kayin, Kayah, Chin, Shan (northern area) and Mon States (Southern area) is not recommended.

Travel between Yangon and the Indian Ocean holiday resort at Ngwe Saung is safe to travel and is a weekend retreat as it is within a comfortable driving range in a day.

Land border crossings take care of many trading channels between Myanmar and bordering countries such as China and Thailand. The main land border crossing between Myanmar and Thailand is very busy and located between Myawaddy in the south-eastern of Myanmar and Mae Sot in the western of Thailand. Recently this land channel has been blocked.

A nationwide curfew is in place in most city centers at night from 01:00 to 03:00 hours. Additionally, 55 townships, mainly in Chin State, Shan State, Sagaing Division, Kachin State, Rakhine State, Bago Division, Yangon Division, and Kayah State, are under Martial Law with varying curfew hours from 22:00 to 04:00 hours, subject to change based on evolving circumstances.

There are 30 flights per day into Myanmar. YTD Dec 2023 the passengers load factors is 59.54 percent. A significant source of revenue is derived from cargo.

Nevertheless, in the anticipated scenario of a further slowdown in the global economy, there is a risk of weakened exports and investment in Myanmar. This potential decline comes after some initial recovery from the impacts of the COVID-19 outbreak and disruptions stemming from conflict and foreign sanctions following the military ousting of the country's elected government.

The prolonged conflict continues to impede economic activities, adversely affecting lives and livelihoods in Myanmar. Additionally, electricity shortages further contribute to the challenges faced by the economy, as highlighted in the report. Myanmar's economy contracted by approximately 18 percent in 2021, a significant downturn from the 6 percent or higher expansion witnessed in the preceding year. The sluggish economic growth in the past year underscores that several conditions necessary for robust growth are still not firmly established.

Marketing Strategies

As of the aforementioned circumstances, the Company has formulated the following business strategies:

- **Shangri-La Hotel, Bangkok**

Thailand continues to experience a notable surge in the influx of international tourists, coupled with heightened business activities in Bangkok. This surge comes on the heels of Thailand fully reopening its borders, a move made official following the decision to reclassify the COVID-19 to endemic status at the close of 2022.

In year 2023, we shifted our focus to capture the international travelling demand for business, leisure and MICE. The 2023 top targeted customers are Saudi Arabia, South Korea and India while remain focus on key feeder market such as North Asia region (China, Korea, Japan, Hong Kong, Taiwan), North America (United States) and European (United Kingdom, Germany).

The Company therefore adjusts its strategy to meet the needs of the target customer group as follows.

- **Introducing room packages**

The hotel had been actively introducing a few room packages that combine local experiences and must-see attractions to welcome the international tourist simultaneously with food and beverage offers, spa treatment and wellness promotion as well as tailor-made wedding packages.

- **Establishing robust partnerships with premier lifestyle department stores**

The hotel has forged strong collaborations with top-tier lifestyle department stores, strategically promoting luxury accommodations to the international market. This concerted effort aims to enhance the hotel's visibility, attract new foreign tourists, and entice returning visitors. By fostering a robust network, the hotel seeks to ensure long-term profitability and sustainable growth in its services.

- **Emphasizing the utilization of social media platforms for marketing**

The hotel also focused on social media platforms as marketing tools to amplify incremental demand such as Facebook Live sales, LINE shop flash sales and Instagram's post activities allowing the hotel to drive more engagement with the followers. Pricing and conditions for group meetings, incentive and catering were dynamically flexible for each requirement to ensure high conversion rate.

- **Emphasizing digital marketing**

Shangri-La Hotel, Bangkok launched the hotel's e-Shop (www.shangrila-eshop-bangkok.com) in December 2021 as the hotel's online distribution channels to engage the guests on promotions updates and attract guests to purchase e-vouchers and products for take-away and delivery. The hotel has utilized multiple online channels including organic social media channels, paid social media and paid media channels to drive more traffic and increase more revenues to the hotel's official website (Shangri-la.com) and the hotel's e-Shop (www.shangrila-eshop-bangkok.com).

To distribute the performance on the online room reservations, restaurants and Chi, The Spa, Health Club e-Vouchers, and products, the hotel have implemented call-to-action message on all the Facebook and Instagram posts with tracking link. In addition to social media posts, we have actively monitored paid media channels including SEM (Search Engine Marketing), Metasearch, and Display Retargeting closely with our Regional Digital Marketing team to increase the online booking traffic from targeted countries.

– Pricing and Revenue Management

The hotel has adjusted the Best Available Rate (BAR) as well as online offers to be more dynamic while still allowing flexibility to be made including free cancellation or postponement. Few packages and offers have been curated to target specific market such as Family Experience and Wellness segment. As a result, the package has been contributing to a substantial outcome. As a result, ADR is projected to be 18 percent increase ahead of the previous year.

– Strengthening Distribution and Sales Channels

From overall room revenue production, Hotel Direct platform remained the majority distribution channel representing 51 percent which came from booking made directly with the hotel by guests and for hotel's official website (Shangri-la.com). Another 18 percent made through online intermediary channels and 31 percent contributed from Global Distribution System and Offline intermediary channel including tour operators and travel agencies. In addition to the traditional distribution channel, the hotel utilizes the official Facebook, Instagram pages and Tiktok channel as a tool to engage with potential guests by developing an awareness by using call-to-action message to book a room on the hotel's official website (Shangri-la.com). The hotel has also planned and managed paid social media channels to drive more traffic from international markets.

– Collaborating with Numerous New Business Partners

The hotel also ventured on various new partnerships with credit card providers, commercial banks as well as other luxury lifestyle brands; aiming to promote exclusive promotional offers and enhance brand awareness among domestic customers.

By implementing modified and additional strategies, the number of fans on Facebook was relatively strong compared to the market with over 106,000 fans at the end of 2023, showing a growth of 3 percent from 2022. Number of Instagram followers in 2023 reached 19,000 or grew by 8 percent compared to the previous year. The hotel's official Facebook and Instagram pages are continuing to be the primary online channel for engaging customers with latest and upcoming promotions and to remind our social media's followers about the hotel's products and services. In October, the hotel launched its Travel Ads campaign on Expedia to improve ranking and generate business for the 3rd party Online Travel Agency (OTA) segment. This has resulted in a higher ranking for the hotel, averaging 3rd on the first page of results, and up to 32:1 measure in Return of Investment (ROI).

Right after Booking.com launched its own Pay Per Click (PPC) sponsored advertisement in October, Shangri-La Bangkok launched its campaign achieving the network-wide benchmark for new campaigns at 10:1. Leveraging on the continued growth of TikTok, Shangri-La Bangkok enhanced its presence through dynamic content and paid media. Growing 85 followers in September to 4,332 in December with its video views so far at 311,000. TikTok will continue to be a key platform for awareness and tactical campaigns in 2024 and beyond.

• Shangri-La Hotel, Chiang Mai

The hotel's strategies in 2023 have changed compared to the previous year due to the opening of borders across all countries. The MICE business has shown a significant increase in terms of booking pace. Fortunately, the hotel was able to secure a large incentive group from Korea, which booked the entire hotel for nearly one and a half

months in January and February 2023. This single group alone generated substantial revenue of 66.3 million Baht.

The hotel placed emphasis on Retail, Shangri-La Circle, Package, and Wholesale segments. The group business remained the mainstay this year due to high demand for incentives and meetings, especially international meetings from regions such as the USA and Thailand.

This year, the Food and Beverage revenue saw significant growth, with local catering achieving the highest revenue since the hotel opened, surpassing 70 million Baht. Group catering contributed 66 percent to this revenue, and towards the year-end, outside catering events played a crucial role in further boosting local catering revenue. The social segment remained a focus for the hotel, driving functions and social events throughout the year, utilizing the outdoor function area with competitive pricing.

- Targeting Customers

The primary feeder market for both individual travelers and group meetings was Korea, facilitated by direct flights to Chiang Mai. Nevertheless, the hotel has also directed our focus towards other potential international markets with direct flights to Chiang Mai, including Taiwan, China, USA, Singapore, Malaysia, UK, and travelers coming via Bangkok, such as those from Europe, the Middle East, Australia, and Korea. The Thai market remained one of the main contributors across all segments for the hotel.

The goal for 2024 is to continue capturing the entire domestic market and all segments. However, the hotel's focus will be on short-haul markets such as Korea, Singapore, Taiwan, China, India, and Japan, while concentrating on the USA, UK, Middle East, and Europe for the long-haul market.

- Focusing on pushing for cash flow from domestic marketing

The hotel remains dedicated to bolstering cash flow through domestic marketing efforts. Notably, it has successfully gained market share from competitors by promoting direct bookings through initiatives such as flash sales and the distribution of gift vouchers via diverse channels.

- Digital Marketing

The hotel has actively engaged in promoting its presence on social media and various online platforms, including OTAs, recognizing their pivotal role in generating higher revenues. Furthermore, there is a concerted effort to enhance the website, prioritizing its visibility at the forefront of search results (SEO). Simultaneously, the hotel is investing in online marketing through search engines on the internet (SEM), with a targeted focus on specific markets to stimulate and streamline access for potential guests seeking to avail themselves of the hotel's services.

- Focusing on retail sales

The hotel emphasizes retail operations, involving direct sales to general customers, collaboration with online partners, and offering packaged deals. Furthermore, targeted seminars are organized to stimulate business for hotel rooms. The predominant focus for the current year revolves around group business, driven by the sustained demand for hosting conferences and seminars, particularly international conferences within the region.

- Promoting food and beverage sales

Generating cash flow, particularly during periods of low room demand, is crucial. The hotel strategically taps into revenue from food and beverage sales by selling croissants in shopping malls, further expanding the range

of products and services offered by the hotel. This includes extending restaurant operation hours with a full team of specialty chefs in each restaurant, including Chinese and pastry chefs.

– Focusing on banquets and seminars

For banquets, there are large international seminars. The hotel also focuses on pushing customers to use the service for organizing various parties and ceremonies throughout the year, including organizing parties outside the building.

In addition, the main restaurant, Kad Kafe, is now opened for buffet dinner daily, and China Kitchen operates for dinner. Especially in the last quarter, we operated seven days a week with a new Chinese chef onboard, receiving very positive feedback from both local customers and in-house guests.

– Pricing Policy – Tier Pricing and Yield Management

The pricing for 2023 was gradually increased month by month, resulting in an overall incremental Average Daily Rate (ADR) of 20 percent, exceeding the budget. This increase was driven by both FIT and group bookings. Given that the core segment for Shangri-La Hotel, Chiang Mai, is group meetings, adopting flexible pricing was crucial. Furthermore, for international markets, the ADR was stimulated to increase during festive periods by yielding the rate, a strategy adopted while observing that competitors were also moving in the same direction this year.

The average check for food and beverage increased by 10.2 percent due to a shift in the business mix, including daily buffet offerings and the operation of China Kitchen for both lunch and dinner. Catering prices also increased, primarily influenced by large incentive groups and outside catering dinners.

– Distribution and Sales Channels

In 2023, bookings came from various sources, with 38 percent booked through Hotel Direct, 22 percent through Third-party online platforms, 20 percent through E-Direct channels, and wholesales offline. The hotel actively promoted the Shangri-La Circle membership by offering special member rates and tactical promotions during the low season. Additionally, to stimulate demand during the low season, the hotel offered voucher sales for food and beverage, all of which add sales channels for hotels to generate income from both rooms and food and beverages.

• Traders Yangon Company Limited (Sule Shangri-La, Yangon)

The Sule Shangri-La Hotel is budgeted to remain closed for 2024.

F&B Outlets

- The Gourmet Shop operates as a pop-up store at Sule Square. This outlet provides regular bakery products with attractive seasonal and local offerings using Facebook posts to communicate with the local audience.

- The Gourmet Shop continues to cater and promote to small sized private catering & events for the tenants of Shangri-La Serviced Apartments

Other Operating Departments

- The laundry continues to operate albeit with a scaled down commercial operation to support the requirements of the guests of Shangri-La Serviced Apartments and the demands from our three entities. In addition, the Laundry services 6 external contracts.

- **Shangri-La Yangon Company Limited (Shangri-La Residences, Yangon)**

Particulars	2023	2022
Occupancy rate (percent)	52.0	45.2
Monthly average rental rate (MAR) (USD)	4,134	4,769
Gross operating revenue (GOR) (USD)	6,350,939	6,326,195

Apartment Supply

- In Q2, 2023, there were only 62 units added from Aurum Serviced Apartments (Local Management) that were added to the inventory.
- As of Q3 2023, the total existing supply of serviced apartments remained at 2,268 rooms, with no new supply added.
- The average occupancy rate for premium-grade serviced apartments is at 60 percent as of Q3 2023, showing a 3 percent improvement from Q2.
- The rental rates however have continued to decline due to reduced demand, especially for larger apartments. For short stays, guests are choosing to stay at hotels due to meal options and offers of breakfast buffet and laundry benefits. There are also new one and two bedroom apartments that have been added in the Golden Valley which supports the Embassy residential area of Yangon.
- Compared to last year however, the demand for serviced apartments has declined due to changes in the profile of persons being posted to Myanmar. Expats with children have generally relocated their families to neighboring countries such as Thailand and Singapore. These “re-pats” travel to Myanmar for short stays instead of permanently residing with their families in Yangon.
- Myanmar has shifted towards generally becoming a single status posting for families without school going children.
- There will be an increase in the serviced apartment supply in the future when the Yoma Project recommences opposite the Sule Shangri-La Hotel. This project comprises of 112 Peninsula Residences units targeting permanent residential ownership, a boutique Peninsula hotel made up of 88 rooms and a luxury international branded hotel with 281 rooms that included a serviced apartment component.
- The Marga Central development is selling apartments to individual investors and these units can be seen being made available for long term rentals.
- Apartments and hotels are able to accept Myanmar Kyat for payments of leases. Payment can be made at the official CBM rate.

Strategy

Overall rental rates have gradually declined over the past two years however the Shangri-La products and services are conveniently located near the CBD and offer safe and secure grounds with 24 hours. Generator power coupled with the famous Shangri-La friendly service makes our products first choice for many who are assigned to work in Myanmar.

Overall Strategy

- Retention of existing clients.
- New photography to increase our stock images for use in social media.
- Increased digital marketing activity to improve visibility and drive leads on Facebook.
- Increased collaboration with Shangri-La's global and regional sales & marketing network.
- Since our one and two bedrooms have high occupancy, the strategy is to upgrade long-stays to three-bedroom apartments, making smaller units available for free sell.

Short Stay

• In a major step towards increasing direct sales will be achieved soon when the Serviced Apartments are connected to Shangri-La's central reservation system online through the brand website, OTAs as well as Global distribution channels (GDS). This will improve short-stay business.

- The pricing strategy will be aligned for managing short and long stays.
- Contracts are targeted to increase from 60 to 120 companies by the end of December.
- Shangri-La Holidays will drive the newly introduced local staycation offers through frequent campaigns.
- The sales team plans to broaden its customer base to reach more local companies.
- Collaboration with Myanmar Tourism will enable the products to be visible for tour groups.

Long Stay

• A new golf driving range is being proposed to attract foreign nationals staying at other locations to move to the Shangri-La Residences. (Japanese & Koreans).

• Leverage barter collaborations with influencers to promote our business and increase brand visibility.

• To grow business from indirect sales channels and develop and build relationships with real estate agents.

• Continue local networking through the various Chambers of Commerce present such as Hong Kong Chamber of Commerce (MHKCCI), British Chamber of Commerce (BritCham), Singapore Association of Myanmar (SAM), and Thailand Business Association of Myanmar (TBAM).

Retention

• Renewals to be in line with market and additional benefits will be available such as including SLC points, Hotel Credits, Laundry and F&B Credits.

• Collaborations that benefit our residents will be continued with other facilities like the Star City Golf range for the benefit of our residents.

• Traders Square Company Limited (Sule Square, Yangon)

Marketing Situation

• The office rental market remains tenant-driven, requiring landlords to offer rates that are attractive and aligned with the current market.

• In H2 of 2023, local construction projects could be seen resuming activities of their projects that were suspended. These include The Lan Thit Avenue project by Sae Paing Group, Inya Palace project by Mandalay Golden Wing Ltd and The Magical World Project, a JV between Adventure Myanmar and Better Life Group.

- As of Q3 2023, there has been no new additional office supply apart from M Tower in Hleden.
- Large foreign investments remain on hold in the current climate. These include The AEON Mall in Dagon Township which is a JV between AEON Group and the Shwe Taung Group
- The Yangon City Central Railway Station is a significant re-development JV between Sumitomo, Mitsubishi and Mottama Holdings however remains suspended.
- There is new supply in the pipeline although these projects have been dormant since the start of the coup and these include the Okura Hotel, Y complex by Tokyo Tatemono and Fujita Corp. The Yoma Central project by Meeyahta Development Ltd. and the Garden project by Kajima Myanmar.
- Land is a much sought after commodity in Myanmar and prices continue to rise as land is purchased, sold, and repurchased as a hedge against the devaluation of the Myanmar Kyat.

Strategy for Office

- Sule Square is classified as a Grade A building and the average office rent is USD 22 per sqm (2023).
- As of Q3 2023, the city-wide occupancy rates stabilized at 60 percent.
- Sule Square office is the main competitor and their occupancy is 62.5 percent for FY 2023. While tenancy levels picked up in Grade-A buildings such as Junction City there has been an overall decline in office rental rates.
- Target tenants of Grade B buildings, stand-alone houses, & office towers within a 2 km radius offering services that are uninterrupted during load shedding.
- Continue to focus on Shipping and Logistics consulting, and trading companies which are located near the port and our office location.
- Drive sales from the newly converted meeting hall space (296 sqm) office from offices tenants within the building. Such as Dai-ichi, Prudential and ATOM that have a high employee sales teams.

Retention

- Maintaining relationships has worked well for the team and contributed to retention of existing leases.

– Sule Square Commercial and Retail Space

Marketing Situation

The average rental rate stands at USD 21 per square meter. Following a 50 percent discount at Soul Square, the revised average rental rate is USD 20 per square meter. Forecasts indicate that rental rates are poised to remain both low and competitive throughout 2024. Anticipated customer footfall at Zul Square on weekdays is expected to surpass the levels observed in 2019. Concurrently, the number of retailers is projected to increase to 70 percent in 2023.

Strategy for Retail

- Use Digital marketing for increased visibility and campaigns.
- To grow business from the network of real estate agents.
- Introduce a famous local hotspot restaurant brand “JO JO” located in the basement.
- In 2024, our aim is to acquire an F&B operator for the vacant outlet.
- Two business schools are located on Level 2 and it is planned to compliment this zone with aligned education units.

Retention

- Extend the 2023 rebate discounts to 2024 on a case-by-case basis to retain and support our existing client base.
- Increased annual events activity to drive footfall using the basement space.

(3) Procurement of Products and Services

The Company adopts a procurement policy that involves sourcing products and services from numerous vendors, including both domestic and international suppliers. This strategy aims to avoid dependence on any single seller. Collaborating with the Shangri-La Group, the Company ensures a diversified supply chain. In anticipation of potential inflation in 2024, the Company proactively establishes contracts for the purchase and sale of goods and services, safeguarding prices, quantities, and quality in both short and long terms. In 2023, the total value of purchases amounted to 563,031,093.47 Baht, with 549,718,741.22 Baht (98%) representing purchases in Thailand, and 13,312,352.25 Baht (2%) representing foreign purchases.

There is also a selection and continuously evaluate sellers to ensure that such sellers still meet the required qualifications. In 2023, the Company engaged 883 companies/stores, 861 of them are based in Thailand, accounting for 98 percent, and 22 companies/stores internationally, making up 2 percent of the total. This includes regular checks on product quality during each delivery to uphold high standards.

Personnel Recruitment

To ensure the delivery of high-quality service and gain acceptance from users, a critical factor is the recruitment of personnel possessing the necessary knowledge, skills, potential, and diverse qualifications to support efficient operations.

The Company has implemented a hiring and personnel management policy to align with the current workload and the Company's revenue projections for each period. Department Heads are responsible for specifying positions, numbers, and qualifications, seeking approval from authorized executives to recruit new personnel, whether as permanent employees or on a fixed-term basis.

As of 31 December 2023, the Company has a total of 935 full-time employees, including 725 employees of Shangri-La Hotel, Bangkok and 210 employees of Shangri-La Hotel, Chiang Mai. The detailed breakdown of the Company's workforce, classified by operation and non-operation department, is provided in the table below.

(unit: person)

Department	Shangri-La Hotel, Bangkok		Shangri-La Hotel, Chiang Mai	
	2023	2022	2023	2022
- Operations employees	633	545	172	140
- Office employees	92	79	38	38
Total	725	624	210	178

(4) Assets used in Business Operations

From the separate financial statements as at 31 December 2023, the Company's property, plant and equipment were 3,207.85 million Baht representing 47.62% of total assets which are mainly consist of:

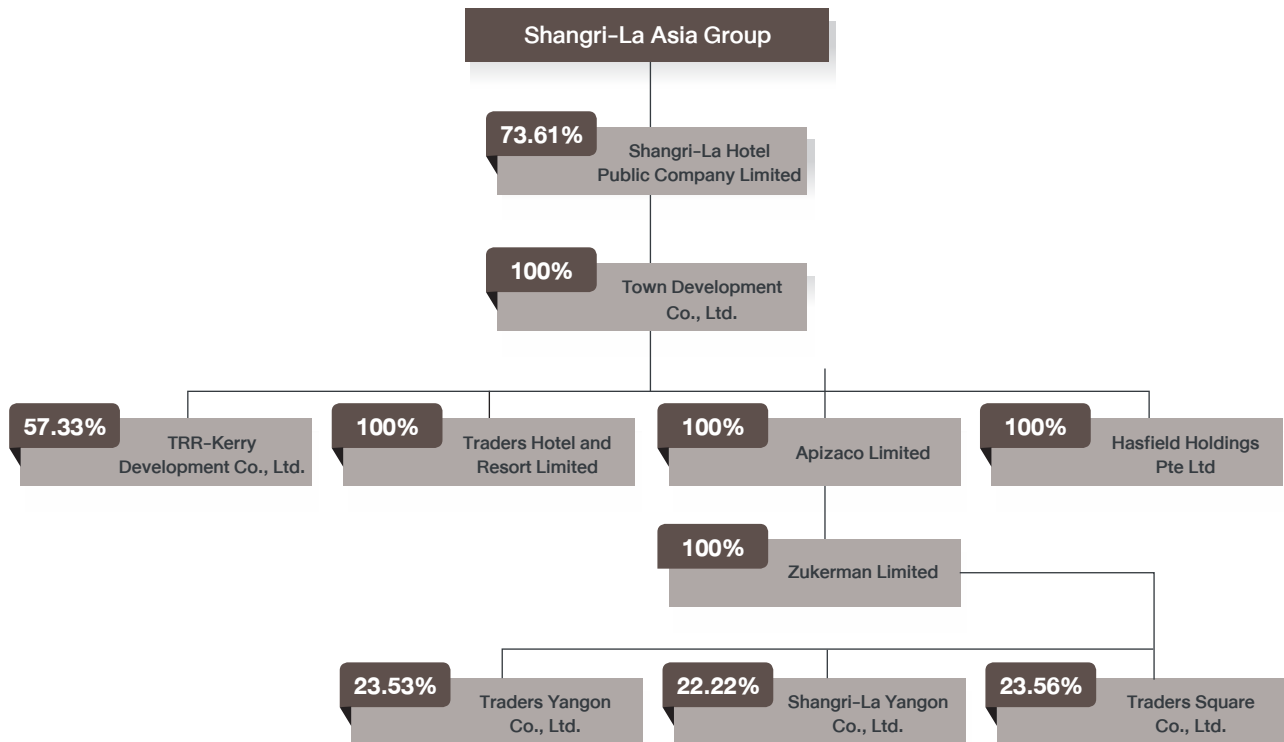
Assets	Ownership	Encumbrances	Book Value as of 31 December 2023 (million Baht)
1. Land for operations of Shangri-La Hotel, Bangkok, area of 17 rai, 5 ngan, 23 square wah, located at Soi Wat Suan Plu, New Road, Bangrak, Bangkok	Company owned	No	385.95
2. Land for the New Hotel Project consists of area 657.50 square wah, located at Soi Sukhumvit 55, Watthana, Bangkok, and area of 48 square wa, located at Soi Sukhumvit 57, Phra Khanong, Bangkok	Company owned	No	2,033.41
3. Land for operations of Shangri-La Hotel, Chiang Mai, area of 17 rai, 2 ngan, 5.3 square wah, located at Changkhlan Road, Muang District, Chiang Mai	Company owned	No	107.56
4. Buildings located at Soi Wat Suan Plu, New Road, Bangrak, Bangkok, consists of 2 hotel buildings, 1 building for office rental and 2 parking buildings	Company owned	No	185.01
5. Building located at Changkhan Road, Muang District, Chiang Mai	Company owned	No	244.09
6. Machinery and building equipment of Shangri-La Hotel, Bangkok	Company owned	No	90.84
7. Machinery and building equipment of Shangri-La Hotel, Chiang Mai	Company owned	No	6.83
8. Furniture, fixtures, equipment and computer of Shangri-La Hotel, Bangkok	Company owned	No	65.84
9. Furniture, fixtures, equipment and computer of Shangri-La Hotel, Chiang Mai	Company owned	No	32.25

Intangible Assets

Intangible assets consist of computer software. The book value of intangible assets as of 31 December 2023 of Shangri-La Hotel, Bangkok and Shangri-La Hotel, Chiang Mai are 0.46 million Baht and 0.29 million Baht, respectively.

1.3 Shareholding Structure

1.3.1 Shareholding Structure of the Group of Companies



Companies	Issued and paid-up capital	Types of business
1. Town Development Co., Ltd. No. 89 Soi Wat Suan Plu, New Road, Bangrak, Bangkok, Thailand Telephone: (66) 2236 7777	1,303 Million Baht	Investment Holdings
2. TRR-Kerry Development Co., Ltd. No. 89 Chao Phya Tower, 9th Floor, Room no. 901-903, Soi Wat Suan Plu, New Road, Bangrak, Bangkok, Thailand Telephone: (66) 2237 3737	3.61 Million Baht	Investment Holdings
3. Traders Hotel and Resort Limited No. 89 Chao Phya Tower, 9th Floor, Room no. 903, Soi Wat Suan Plu, New Road, Bangrak, Bangkok, Thailand Telephone: (66) 2236 7777	0.2 Million Baht	Dormant

Companies	Issued and paid-up capital	Types of business
4. Apizaco Limited No. 683 Kerry Center, 28th Floor, King's Road, Quarry Bay, Hong Kong Telephone: (852) 2525 7211	HKD 206.46 Million	Investment Holdings
5. Hasfield Holding Pte Ltd No. 1 Kim Seng Promenade, Great World City #06-02, Singapore Telephone: (65) 6733 3600	SGD 34.22 Million	Dormant
6. Zukerman Limited No. 683 Kerry Center, 28th Floor, King's Road, Quarry Bay, Hong Kong Telephone: (852) 2525 7211	USD 1	Investment Holdings
7. Traders Yangon Co., Ltd. No. 223 Sule Pagoda Road, Yangon, Myanmar Telephone: (951) 242828	Kyat 21.60 Million	Hotel Operation
8. Shangri-La Yangon Co., Ltd. No. 223 Sule Pagoda Road, Yangon, Myanmar Telephone: (951) 242828	Kyat 11.88 Million	Serviced Apartment
9. Traders Square Co., Ltd. No. 223 Sule Pagoda Road, Yangon, Myanmar Telephone: (951) 242828	Kyat 0.52 Million	Commercial Complex

1.3.2 Person with a potential conflict of interest holds shares of a subsidiary or associated company at an amount exceeding 10 percent of the voting shares of such company

None

1.3.3 Relationship with Major Shareholders' Business

Shangri-La Asia Group is a major shareholder, holding of shares in the Company through its subsidiaries including Siam Suite Holding Limited which is a company duly registered in Thailand. Shangri-La Asia Limited is a holding company listed in the Stock Exchange of Hong Kong Limited with a secondary listing on the Singapore Exchange Securities Trading Limited.

The Company provides services to juristic persons related to directors and major shareholders, following standard procedures such as bidding, consideration for work acceptance, and providing services under normal trade conditions. The Company maintains the same approach for third-party employers not affiliated with the Company.

1.3.4 Shareholders

Top ten major shareholders as of 15 March 2023 (which was the latest record date on which shareholders have the right to attend and vote at the Annual General Meeting No.1/2023) were as follows:

Shareholder	No. of shares	Percentage (%)
1. Shangri-La Asia Group	95,694,648	73.61
2. Mr. Surin Asdathorn	3,473,200	2.67
3. Mr. Chana Asdathorn	3,055,500	2.35
4. Bangkok Bank Public Company Limited	2,832,600	2.18
5. Mr. Ekaratana Tejavej	1,550,000	1.19
6. Ms. Srisuda Sintavanarong	1,544,400	1.19
7. Mr. Boon Sintavanarong	1,518,800	1.17
8. Mr. Somkiat Asadathorn	1,161,300	0.89
9. Mr. Utai Asdathorn	1,109,657	0.85
10. Mr. Thitikorn Asdathorn	788,750	0.61

1.4 Number of Registered Capital and Paid-up Capital

As of 31 December 2023, the registered capital and issued capital stand at 1,300 million Baht, divided into 130 million ordinary shares, each with a par value of 10 Baht, and all shares have been fully paid.

1.4.1 Other types of shares such as preferred share whose rights or terms differ from those of common shares

None

1.4.2 Convertible securities as an underlying security for issuance of investment units of mutual funds for foreign investors (Thai Trust Fund) and the Non-Voting Depository Receipts (NVDR)

None

1.5 Issuance of Other Securities

None

1.6 Dividend Policy

The Company upholds an annual dividend policy, of the remaining net profit, accounting for various reserves as mandated by law. Nevertheless, dividend payouts are subject to modification contingent on economic conditions, cash flow, investment plans, legal considerations, financial status and performance. The Company meticulously assesses the necessity and appropriateness of dividends, ensuring they shall not significantly impact regular operations. Resolutions from the Board of Directors' meetings approving dividend payments necessitate presentation to shareholders meeting for endorsement. The Board of Directors is empowered to deliberate on interim dividends, with appropriate reports presented at subsequent shareholders meeting if deemed suitable without adverse effects on the Company's operations.

The dividend payment policy for the subsidiary is not explicitly outlined, contingent upon the operating outcomes of the subsidiaries after accounting for corporate income tax and deducting reserves as mandated by laws. Adherence to legal requirements is paramount, and the decision is influenced by the suitability of the investment plan, taking into consideration the cash flow and financial standing of the subsidiaries as pivotal factors.

Due to the Company had a net profit of 539,088,650 Baht for the year ended 31 December 2023, Board of Directors' Meeting No. 1/2024, which was held on 19 February 2024 resolved that the declaration of the annual dividend payment for the operation of the Company from 1 January to 31 December 2023 at the rate of 1 Baht per share for 130,000,000 ordinary shares amounting to 130,000,000 Baht, representing 24.1% of 2023 Company's net profit, which will be payable to shareholders of the Company on 24 May 2024, be recommended to the Shareholders for approval at the Annual General Meeting of Shareholders scheduled to be held on 26 April 2024.

The comparison of dividend payment for years 2022, 2021 and 2020 are as follows:

Particular	Financial Year		
	2022	2021	2020
Net profit (loss) in the separate financial statements (Baht)	25,583,448	(361,245,022)	(295,457,992)
Number of issued shares (Shares)	130,000,000	130,000,000	130,000,000
Dividend per share (Baht/Share)	-	-	-
Total dividend payment (Baht)	-	-	-
Dividend payment as percentage to Company's net profit (%)	-	-	-

2. Risk Management

2.1 Policy and Risk Management Plan

The Company has collaborated with Shangri-La Group to adhere to the Integrated Assurance Framework (IAF), which includes risk management, internal controls and auditing practices by adopting the Group's important policies, manuals, guidelines, operating procedures, including risk management processes. It is also regularly reviewed and updated to reflect changes and be able to manage risks according to changing factors in a timely manner.

A 5-step approach is embedded within the IAF to establish a structured risk management process throughout the organization. It is important to note that the IAF is designed to manage rather than eliminate all potential risks of failure in achieving business objectives, and is aimed at providing reasonable, instead of absolute, assurance against material risks.

Enterprise Risk Management.



2.2 Risk Factors on Business Operation

1. Shifts in Product Demand – Competition and Consumer Behavior Changes

The tourism industry in Thailand is poised for a significant recovery in 2023 following the challenges posed by the COVID-19 pandemic. The sector is gearing up for a robust comeback, allowing both citizens and tourists to resume their activities and contribute to the local economy. In the highly competitive hotel business, where new service providers are constantly entering the market, there are notable developments on the horizon. According to Colliers Thailand, a real estate and investment consulting company, a total of 3,725 new rooms from 13 luxury hotels are slated to open in Bangkok between 2023 and 2025. The upcoming additions, with 1,122 rooms in 2023, 1,934 rooms in 2024, and 669 rooms in 2025, could potentially impact the financial performance and competitive landscape of the industry. The increasing number of competitors adds an additional layer of complexity to the market dynamics.

In the aftermath of the global COVID-19 outbreak, businesses worldwide faced significant challenges, leading to closures and staff reductions for survival. This crisis has also induced changes in lifestyle behaviors, driven by organizations adapting work methods—such as implementing work-from-home (WFH) measures—to curb the spread of COVID-19. However, as more people embrace remote living, it presents an opportunity to explore alternative sources of income. Failing to align with evolving consumer preferences and the dynamic demand for food and beverage services could potentially place the Company at a competitive disadvantage.

2. Business Disruption

Operational disruptions stemming from external events and economic uncertainties, beyond the Company's control, pose significant challenges for the hotel business. Various sectors, including hospitality, are vulnerable to external factors such as higher interest rates, increases in oil prices, political unrest, epidemics, natural disasters, or unforeseen force majeure events. The global economic landscape, marked by fluctuations in raw material prices and disruptions in the supply chain, introduces risks that reverberate across most business sectors. The ripple effect of global economic conditions may lead to disruptions in the supply chain, causing shortages in certain products and transportation delays. This poses a substantial risk to the Company's business operations, potentially impacting its ability to achieve set goals. Such risks are deemed critical as they can lead to operational interruptions, property damage, and have a pronounced negative impact on both short-term and long-term operational results.

3. Financial Risk

In the Company's historical operations, preserving liquidity was imperative to meet capital requirements and ensure future financial flexibility. Furthermore, the Company faced potential impacts from various external factors beyond its control, such as inflation, the global economic landscape, epidemics, and geopolitical tensions, including fluctuations in public sentiment. These external variables may exert significant positive or negative influences on the Company's operational outcomes.

4. Regulatory and Compliance Risk

The Company's business operations are mandated to adhere to rules, laws, and regulations overseen by relevant authorities. This is essential to ensure seamless operations and establish appropriate supervision mechanisms, encompassing compliance with national tourism regulations. Given the dynamic nature of legal environments, which may evolve or introduce new laws periodically, there exists the possibility that the Company might not be fully compliant. In such instances, grievances could arise, leading to potential lawsuits seeking damages or compensation from customers or relevant agencies.

5. Cybersecurity Risk

Currently, technology plays a pivotal role in enhancing business operations, contributing significantly to increased work efficiency and quicker task completion. The rapid evolution of technology stands as a crucial force driving changes in consumer behavior and industry competition. Despite this dynamic landscape, The Company has actively embraced digital technology to concentrate on delivering services to customers and promptly addressing their needs. Furthermore, there has been a noticeable increase in cyberattacks over the past few years, emphasizing the importance of robust cybersecurity measures.

Hence, dependence on digital technology may heighten the susceptibility of business operations to cyber threats, including the theft of critical company information and disruptions to various work systems. Of significant concern is the potential impact on the Company's network system, as unauthorized individuals may gain access. Without proper oversight or operational planning, this could lead to financial repercussions, with the risk of internal company and customer information being leaked or lost.

6. Climate Risk

In the current global landscape, climate change has become a focal point of concern, particularly among leading international corporations prioritizing the reduction of greenhouse gas emissions. The impact of climate change, marked by events such as floods, droughts, and extreme weather fluctuations, poses direct and indirect threats to life and property, with implications that are often incalculable. The primary driver of climate change is the release of greenhouse gases stemming from human activities, spanning from households to industrial operations. Recognizing the significance of this issue, numerous public and private entities have undertaken campaigns and adjusted their operations to actively contribute to the ongoing reduction of greenhouse gas emissions. Within the Company, activities contributing to greenhouse gas emissions encompass the utilization of water and energy, electrical energy consumption, paper usage, and other pollutant-generating practices. The cumulative effect of these activities results in an elevated presence of greenhouse gases or global warming.

7. Fraud and Corruption Risk

The Company boasts a favorable business reputation characterized by transparent and verifiable operations. Acknowledging corruption as a risk that can result in the organization losing credibility, dishonor, missed competitive opportunities, and unnecessary expenses, the Company places significant importance on mitigating its impact on business operations. Nevertheless, the absence of effective corporate governance poses a potential risk of corruption

and misconduct by employees, including executives. This scenario may lead to detrimental consequences for the Company's financial standing and reputation, impacting reliability from the stakeholders' perspective.

3. Sustainability Management

3.1 Corporate Sustainability Management Policy

The Company is committed to operating business under the concept of "Sustainable Business" with consideration of economy, social responsibility, environment, and corporate governance, along with keeping balances of the interests of shareholders. The Company strives to be a leading organization with social responsibility and initiative to create strategic relationships with shareholders, investors, employees, business partners, customers, government authorities, and communities in contributing to the development of the environment and maintenance of health and safety standards, and fostering sustainable growth in the long term to fulfill its vision and mission.

In 2023, the Company recognizes the significance of aligning its operations with the United Nations' Sustainable Development Goals (SDGs) as a guiding framework. This approach encompasses all dimensions, including economic, social, and environmental aspects, underpinned by principles of good governance, transparency, and adherence to high standards of safety and hygiene. The Company is committed to fostering a harmonious coexistence with the community, caring for and conserving natural resources and the environment. This commitment extends to robust risk management, adaptability to change, and the pursuit of business opportunities aligned with the organization's objectives. To operationalize these principles, the Company supports, advocates, and integrates these values throughout the organization in accordance with policies established by the Board of Directors, providing a comprehensive guideline for business management that fosters steady and sustainable growth across economic, social, and environmental dimensions.

Sustainability Management Policy

The Company prepared and analyzed material sustainability issues related to business operations. There was a process of selecting material issues from the needs and expectations of each stakeholder group, including issues affecting the Company, from the business operation information related to sustainability. The internal data about the operating patterns and directions of the Company and affiliates are analyzed. For the external data, the sustainability issues of the companies in the hotel industry both domestically and internationally, trends in sustainability issues in Thailand and abroad, Corporate Social Responsibility Guidelines from The Stock Exchange of Thailand and sustainability topics from the GRI Sustainability Reporting Standards (Global Reporting Initiative: GRI Standards 2021), including the United Nations Sustainable Development Goals (SDGs). Subsequently, the Company formulated strategies, policies, and methods to respond to the selected material sustainability issues. The material sustainability issues are divided into 3 areas as follows:

The Sustainability Management Policy comprises of 3 dimensions.

- Environmental
- Social
- Economic

Environmental	Social	Economic
<ul style="list-style-type: none"> • Conduct business under policies and guidelines environmental practices • Reduce pollution that affects the overall environment. • Reduce waste emissions. and greenhouse gases in order to prevent, control and reduce impacts on the environment, communities and society. • Campaign for the company's employees use resources efficiently and in an environmentally friendly manner. 	<ul style="list-style-type: none"> • Conduct business with a profound respect for human rights and a sense of responsibility towards stakeholders, communities, and society at large, spanning the entirety of the business value chain. • Continuously manage and develop essential new knowledge, abilities, and skills among its personnel. 	<ul style="list-style-type: none"> • Seek partners to expand its presence and enter new foreign customer markets. • Create operating results and increase business competitiveness by paying attention to increasing the efficiency of business value chain management. • Manage internally well and operate business sustainably under the system good corporate governance • Be responsible and comply with laws and regulations under the correct enforcement of the law. • Share benefits appropriately and fairly and be able to adapt under various changing conditions.

Sustainability Management Goals for 2023

<ul style="list-style-type: none"> • Develop your business into a low-carbon organization and conduct business that is environmentally friendly • Reduce wasteful use of resources, electricity, water, paper and waste disposal. • Maintain and increase green space • Reduce greenhouse gas emissions • Select suppliers based on environmental criteria 	<ul style="list-style-type: none"> • Create shared value and improve the quality of life of communities and society. • Consider human rights to protect labor rights, safety, health and create a good working environment. • Develop personnel and respond to changes and trends in technology. • Increase the employees' working performance • Treat employees equally. 	<ul style="list-style-type: none"> • Seek partners to expand a variety of services. • Manage risk effectively • Conduct research and development to innovate and enhance new services. • Manage the supply chain for efficiency and sustainable growth. • Respond to service needs from the trend of continuous economic expansion.
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Environmental	Social	Economic
<ul style="list-style-type: none"> Promote partners, employees, and related people to be aware of conducting business in an environmentally friendly manner. 	<ul style="list-style-type: none"> Create maximum satisfaction for customers. 	<ul style="list-style-type: none"> Increase competitiveness by improving service quality, reducing costs, and responding to customer satisfaction. Prepare quality personnel to support business growth. Treat business competitors within the framework of good and fair competition etiquette. Adhere to laws and regulations diligently. Adhere to conducting business with transparency, honesty, and sharing benefits appropriately and fairly, taking into account relevant stakeholders.

3.2 Effective Stakeholder Impact Management across the Business Value Chain

3.2.1 Business Value Chain

The Company engages in the operation of hotels, delivering comprehensive hotel services. The hotel services are categorized into three primary segments: room service, food and beverage services, and additional services encompassing laundry, business center, health center, catering, and seminars. Aligning with the international standard AA1000 Stakeholder Engagement Standards (AA1000SES), the Company classifies its organizational stakeholders into six groups, comprising shareholders and investors, employees, customers, business partners, government agencies, and communities.

Primary Activities

The Company's guidelines for supply chain management embody a procedural approach that considers both stakeholder groups impacted by business operations and management. Undertaking sustainability initiatives across the entire business value chain, the Company's operations are categorized into five primary activities. Each of these main activities is intricately linked to specific stakeholder groups, as outlined below:



1. Procurement Process Management

The focus is on securing high-quality and safe raw materials. In addition, the Company prioritizes the utilization of local ingredients at fair prices.

2. Operations

Internally within the hotel, effective management is employed to ensure the delivery of services and products. The focus includes the development of new innovations aimed at enhancing work processes, with the ultimate goal of achieving accuracy, speed, and precision. This approach builds confidence among customers in the hotel's offerings.

3. Product and Service Distribution or Outbound Logistics

Giving paramount importance to the delivery of products and services entails a commitment to quality and safety for customers. This commitment extends to ensuring legal compliance, environmental management, occupational safety and health, and upholding human rights.

4. Marketing and Sales

Facilitating access to diverse customer groups with varying needs and abilities to engage with marketing media is a priority. The Company aims to develop effective communication channels for the dissemination of information and services.

5. Customer Services

Prioritizing customer satisfaction, the Company fosters continuous improvement and development of positive relationships with customers. Dedicated departments and officials are in place to receive direct feedback, opinions, or suggestions about products from customers.

Support Activities

Given the nature of the Company's services, personnel are recognized as a crucial force in driving sustainable business. Consequently, the selection of personnel for participation in events is regarded with utmost importance, and the Company places a strong emphasis on this aspect. A rigorous employee selection process is in place to ensure the recruitment of high-quality individuals who align with the organizational culture. In addition, the Company deems it essential to support and promote diverse knowledge relevant to operations, ultimately contributing to heightened customer satisfaction in terms of both quality and service. To uphold these standards, the Company places considerable attention on various quality standard systems, including:

- Food and Beverage Safety Measurement Standards (Hazard Analysis Critical Control Point: HACCP) Good Manufacturing Practice (GMP)
- ISO 14001 Environmental Management Standard
- ISO 45001 Occupational Health and Safety Management System Standard
- SHA Extra Plus Health and Safety Standards for tourists
- The Safeguard logo issued by Bureau Veritas certifies compliance with occupational health, safety, and hygiene standards.
- GDPR (General Data Protection Regulation) as defined in EU law.

3.2.2 Stakeholders Analysis in Business Value Chain

The Company acknowledges the pivotal role of all stakeholder groups in supporting the organization's business operations towards achieving its goals and fostering sustainable development. Recognizing the significance of collaboration with stakeholders to generate mutual benefits, the Company adheres to the principles of good corporate governance, ensuring efficient operations by respecting rights, treating stakeholders fairly and equitably, and conducting business in a transparent and ethical manner. This is upheld through a Code of Conduct aligned with the Company's values. The Company has adopted the AA1000 Stakeholder Engagement Standards (AA1000SES) for identifying stakeholder groups, analyzing engagement in the value chain, analyzing needs and expectations, assessing and prioritizing using impact criteria, and clarifying the influence of stakeholders on the Company's operations. The results were used to develop practical guidelines that meet the needs and expectations of each stakeholder group through effective communication channels and create maximum satisfaction.

The Company has divided its stakeholders into six groups including shareholders and investors, employees, customers, business partners, government authorities and local community. The Company has conducted assessment on the needs and expectations of the stakeholders on the Company's business operation and occasionally established relationship with the stakeholders.

Stakeholders throughout the value chain	Business Value Chain					
		Procurement Process Management	Operation	Product and Service Distribution or Outbound Logistics	Marketing and Sales	Customer Services
	Shareholders and investors	-	-	-	/	/
	Employees	/	/	/	/	/
	Clients	/	/	/	/	/
	Business partners	/	/	/	/	/
	Government sectors	/	/	/	/	/
	Communities	/	/	/	/	/

To foster engagement with diverse stakeholder groups, detailed information about stakeholder expectations related to sustainability and sustainability assessments is available at www.shangri-la.com/group/investors/public-disclosures-thailand.

3.3 Sustainability Management in the Economic Dimension

3.3.1 Economic Policy and Guideline

The Company actively seeks partners to expand its presence in additional foreign customer markets, aiming for sustained economic growth. This approach is designed to enhance operational outcomes and bolster business competitiveness by focusing on improving the efficiency of business value chain management. Furthermore, the Company emphasizes sound internal management practices and endeavors to conduct business sustainably within a framework of good corporate governance. This governance is founded on principles of honesty, fairness, transparency, openness, accountability, and responsibility, ensuring compliance with laws and regulations. In addition, the Company upholds the correct enforcement of the law and ensures the appropriate and equitable sharing of benefits. This adaptive strategy enables the Company to navigate effectively through various changing conditions.

3.3.2 Sustainability Performance Results on the Economic Dimension

The Company conducts responsible supply chain management by fostering a culture of sustainability through organized awareness training for employees at all levels. This includes training sessions on ethics manuals and procurement practices. The Company also selects partners based on environmental and social criteria, elevating procurement standards and mitigating risks that may impact the environment. Additionally, attention is given to social issues. In line with its commitment to operate under the concept of “Doing business sustainably” with transparency and fairness, the Company openly provides opportunities for fair competition. The treatment of trading partners, including all entrepreneurs associated with the organization, is guided by principles of human rights, ensuring equal and respectful treatment for all.

3.4 Sustainability Management in the Environmental Dimension

3.4.1 Environmental Policy and Guideline

The Company recognizes the prevailing environmental challenges impacting societal well-being and the finite nature of natural resources. In response, the Company has instituted an environmental management policy to serve as a comprehensive guide for managing environmental impacts and establishing a sustainable development framework. This policy involves constant exploration of new measures and methods to enhance management efficiency and exercise better control over environmental quality. A primary focus is placed on environmental conservation, aiming to reduce pollution that may adversely affect the overall environment. The Company actively seeks ways to diminish resource and energy consumption, as well as minimize emissions of waste, construction dust, and greenhouse gases. This proactive approach is geared towards preventing, controlling, and mitigating impacts on the environment, local communities, and society at large. The Company promotes a conscientious approach among its employees through campaigns advocating for the efficient and environmentally friendly utilization of resources. This includes setting guidelines for conserving electricity and water, while also supporting community development activities on relevant occasions.

3.4.2 Sustainability Performance Results on the Environmental Dimension

The Company is cognizant of the escalating climate change scenario and actively participates in addressing global change. It elevates the intensity of its operations to provide clear guidelines for managing environmental impacts in accordance with the sustainable development policy. In addition, the Company demonstrates transparency and accountability by disclosing environmental performance results that adhere to the international reporting framework (GRI standard) and environmental indicators (CDP), ensuring transparency and verifiability.

The Company conducts a comprehensive analysis of risks and opportunities associated with altering conditions in accordance with its environmental goals, covering aspects such as energy, water, waste, and pollution. This analysis is tailored to the specific nature of the business, aiming for optimal efficiency. Furthermore, the Company consistently monitors and evaluates the environmental impacts resulting from its operations. To enhance transparency and responsiveness, a dedicated channel is provided for stakeholders to voice their complaints. This ensures that the Company can promptly and appropriately take corrective actions and devise preventive plans to mitigate potential impacts.

3.5 Sustainability Management in the Social Dimension

3.5.1 Social Policy and Guideline

The Company recognizes the paramount importance of safeguarding human rights and is dedicated to strict compliance with international laws and principles. As a commitment to these ideals, Shangri-La Group has become a signatory of the United Nations Global Compact (UNGC), aligning with the principles of human rights as a fundamental guideline for its operations across all business domains. This commitment extends to ensuring that the entire business value chain is devoid of instances of human rights violations. The Company holds its business partners to the same

high standards, emphasizing fair business practices that eschew discrimination, embrace diversity, and acknowledge the differences among employees within the organization. There is an unequivocal stance against engaging in or supporting any form of forced labor, and the Group expressly disapproves of illegal labor practices, including child labor, slave labor, and human trafficking.

3.5.2 Sustainability Performance Results on the Social Dimension

The Company acknowledges the significance of active participation in community and social development. It commits to supporting projects and activities aimed at enhancing and developing society across various domains, including education, youth activities, community relations, and overall quality of life. These initiatives are designed to foster community participation and engagement of relevant stakeholders, contributing to the improvement of both the quality of life and the resilience of the community. Furthermore, the Company collaborates with government agencies, business partners, and its own employees to effectively implement and support these community and social development projects.

The Company has formulated comprehensive policies and guidelines pertaining to the social dimension of sustainability within the Group. These encompass areas such as business ethics, sustainability management policy, human rights policy, and occupational health and safety policy, along with environmental considerations. These policies have received approval from the committee and are made publicly accessible on the Company's website. Furthermore, they are communicated to all employees to ensure their awareness and adherence to these established principles.

For more details of "Sustainability Management", kindly refer to the 2023 Sustainable Development Report at www.shangri-la.com/group/investors/public-disclosures-thailand.

4. Management Discussion and Analysis (MD&A)

Overview

- **Shangri-La Hotel, Bangkok**

Hotel market sentiment in Thailand is expected to continue to improve from the growth in international tourist arrivals. In the first nine months, Thailand welcomed more than 20 million international tourists with short-haul market being the key feeder market as a result of improved flight capacity continuing to add momentum. Increased tourist activity was reflected in hotel performance with ADR exceeding 2019 level, although the occupancy rate has yet to recover.

The primary focus for Shangri-La Hotel, Bangkok in 2023 was to focus to be proactive in boosting demand among international market especially for business, leisure and MICE (Meeting, Incentive, Conference and Exhibition). Bangkok's hotel performance has seen an increase in all key indicators from the previous year. With the addition of 1,054 keys from the newly completed projects to Bangkok's hotel supply, the total hotel supply totals 79,063 keys. Mid-range or upscale class continued to dominate the market with 49% of the total hotel supply, followed by luxury and upper upscale by 40% and economy by 11%.

- **Shangri-La Hotel, Chiangmai**

The business trend in 2023 has been influenced by global economics, particularly with a reduction in Chinese tourists compared to the pre-COVID-19 period. Despite this, the Chiang Mai hotel has experienced growth since the beginning of the year, attributed to an increase in direct flights from overseas, especially from Korea.

In the second quarter, there have been more international flights to Chiang Mai, totaling 1,825 flights, along with 4,827 domestic flights, resulting in a grand total of 6,652 flights. Domestic flights decreased by 873 from the first quarter, which had 5,700 flights, reflecting declining local demand. However, this decline in domestic flights is offset by a positive sign for international arrivals, with the majority of the increase coming from China (via Air Asia, including Changsha, Hangzhou and Beijing), Singapore as well as Korea. The trend of guest arrivals has been more focused on short lead pick-ups, especially in June, primarily from the Chinese and Middle Eastern markets. The summer holiday period has exhibited a positive trend for this year.

Furthermore, in 2023, the MICE business experienced a significant increase, with the hotel attracting numerous incentive events from around the world, predominantly from Korea.

This year, the Food and Beverage revenue saw significant growth, with local catering achieving the highest revenue since the hotel opened, surpassing Baht 70 million. Group catering contributed 66% to this revenue, and towards the year-end, outside catering events played a crucial role in further boosting local catering revenue. The social segment remained a focus for the hotel, driving functions and social events throughout the year, utilizing the outdoor function area with competitive pricing.

In addition, the main restaurant, Kad Kafe, is now open for buffet dinner daily, and China Kitchen operates for dinner due to we acquired the new Chinese Chef. Especially in the last quarter, we operated seven days a week with a new Chinese chef onboard, receiving very positive feedback from both local customers and in-house guests.

In 2024, the hotel will extend promotions to stimulate demand across all segments, ensuring that we stay ahead of our competitive set and gain market share.

Revenue, Expenses & Profit

- **Shangri-La Hotel, Bangkok**

Occupancy was higher by 25.1% points from last year. ADR was higher than last year by Baht 919.6 while revenue per available Room (Revpar) was higher than last year by Baht 1,734.1 Overall revenue from rooms increased by Baht 508.1 million or 104.4%.

Higher occupancy has impacted the number of F&B covers, which increased by 226,738 or 52.9% from last year. Average check was higher by Baht 76.7 or 10.0%. Overall Food and Beverage revenues increased by Baht 228.9 million or 62.2% from the previous year. Total F&B departmental profit for the year was Baht 247.8 million higher than last year by Baht 109.6 million or 79.3%.

Minor Operating Department ("MOD") revenues increased by Baht 19.7 million or 23.1% resulting from higher occupancy.

- **Shangri-La Hotel, Chiang Mai**

Room Revenue increased by Baht 152.5 million. ADR for the year closed below the Bangkok property by 20.6%, which was in line with the rate differential between the two cities. Room profitability was higher than the Bangkok hotel by 0.4% points due to lower room cost.

Food and Beverage revenues in the hotel were encouraging and formed 33.0% of total hotel operating revenues. Food and Beverage Department showed a profit increased of Baht 41.0 million (121.7%) over the previous year, while profitability was at 49.1% which was higher than last year 12.0% points. Food and Beverage profitability was higher than Bangkok hotel by 7.6% points.

Consolidated

In the overall results of the two hotels, there was an increase in operating revenues by Baht 981.1 million or 83.4% compared to year 2022. Cost of sales increased by 228.7 Baht million or 51.1%. As a result, gross profit increased by Baht 752.4 million or 103.4% from the previous year.

Investment review

- **Apizaco Limited**

The Company, through its 100 % subsidiary based in Hong Kong called Apizaco Limited holds 10,501,055 shares of Shangri-La Asia Limited. As on 31 December 2023, the market value of the balance shares was HKD 56.0 million against the cost of HKD 83.7 million, thus creating an unrealized loss as reflected in the accounts.

- **Hasfield Holdings Pte Ltd**

Hasfield Holdings Pte Ltd is currently dormant.

- **Traders Hotel and Resort Limited**

On 28 August 2015, the Board of Directors' meeting of Town Development Company Limited approved a resolution to acquire shares of Traders Hotel and Resort Limited, for a total consideration of Baht 60,000 (2,000 ordinary shares at the par value of Baht 100 each), which is equivalent to the net book value as at 31 July 2015 (representing 100 % of investment in that company). The shares were transferred to the subsidiary on 28 August 2015.

- **Traders Yangon Company Limited**

Traders Yangon Company Limited ("TYCL"), the 23.53 % associated company held through Apizaco Limited and Zukerman Limited, operates Sule Shangri-La Hotel (formerly known as Traders Hotel). TYCL recorded gross revenue of USD 0.38 million in 2023, which represents decrease of USD 0.03 million or decrease of 7.1 % from previous year. There was no room revenue in 2023 as the Hotel closed since 1 February 2021, Food and Beverage revenue also recorded USD 0.1 million or decrease of USD 0.1 million compared to year 2022. The hotel recorded net loss of USD 8.2 million.

Long-term loan of USD 50 million was finally disbursed by International Finance Corporation (IFC) to TYCL in November 2014, which was fully utilized to repay Interest free and Interest bearing Shareholders Loan. The IFC loan repayment starts in 2016 with half yearly installments starting from March 2016 of USD 3.8 million each and the rate of interest as per loan agreement is 2.1% plus 6 month LIBOR rate, which currently is USD 2.9 million each at 5.937 % p.a. Outstanding IFC Loan payable as at 31 December 2023 was USD 5.8 million.

- **Shangri-La Yangon Company Limited**

Shangri-La Yangon Company Limited ("SYCL"), the 22.22% associated company held through Apizaco Limited and Zukerman Limited, operates 2 towers of serviced apartment – Shangri-La Residences, Yangon. Both Tower 1 and 2 became fully operational on 21 October 2014 with an inventory of 240 apartments. The Serviced Apartments closed the year 2023 with an occupancy of 52.0% (Last Year 45.2%) at an average monthly rental rate of USD 4,134 (Last Year USD 4,769), contributed to a total revenue of USD 6.4 million in 2023 (Last Year USD 6.3 million), increase of 1.6% and gross operation profit of USD 3.0 million (Last Year USD 3.9 million), decrease of 23.1%. SYCL recorded net loss of USD 1.9 million.

Long-term loan of USD 30 million was finally disbursed by International Finance Corporation (IFC) to SYCL in November 2014, which was fully utilized to repay Interest free and Interest bearing Shareholders Loan. The IFC loan repayment starts in 2016 with half yearly instalments starting from March 2016 of USD 2.3 million each and the rate of interest as per loan agreement is 2.1% plus 6 month LIBOR rate, IFC Loan repayment have completed in March 2022.

- **Traders Square Company Limited**

Traders Square Company Limited ("TSCL"), the 23.56% associated company held through Apizaco Limited and Zukerman Limited, operates Sule Square commercial complex, which commenced commercial business effective 1 December 2016. The Commercial Complex closed the year 2023 with office occupancy of 62.5% at an average rent of USD 22.0 per sqm, contributed to a total revenue of USD 5.0 million and retail occupancy of 71.4% at an average rent of USD 19.9 per sqm, contributed to a total revenue of USD 0.6 million. Gross operation profit of 46.4% (USD 2.8 million) with the office leasable area of 29,706 sqm and retail leasable area of 5,247 sqm. TSCL recorded net loss of USD 3.7 million.

TSCL has signed Facility Agreement dated 5 May 2017 for Long Term Loan of USD 55 million (Facility A: USD 25 million and Facility B : USD 30 million) from Bangkok Bank and OCBC Bank, Yangon at an Interest rate of 3 Month Libor +2.25% per annum. The repayment of this loan will be in 7 years with 1st year grace period from signing the Facility Agreement. Facility A of USD 25 million was disbursed by Bangkok Bank to TSCL during August to December 2017. Loan repayment have completed in May 2023.

Contingent Liabilities/Commitments

The Company has guaranteed loans of its associated companies, Traders Yangon Company Limited, amounting to USD 11.8 million.

Since the year 2013, the Company has signed up a short-term loan agreement with a subsidiary company, Hasfield Holdings Pte Ltd. The amount of loan is USD 15 million or Baht 515.8 million without security, interest free and payable upon demand.

Capital commitments at the end of the year stood at Baht 63 million, relating to wireless access point replacement and additional Chao Phya Tower washrooms of Shangri-La Hotel, Bangkok and capital improvement of replacing wooden floor and rug in guestrooms of Shangri-La Hotel, Chiangmai.

Financial Review

The consolidated balance sheet of the Company consists primarily of fixed assets of the hotels, cash and cash equivalents and investments as mentioned above in addition to borrowing from a related company. Liquid assets consisting of cash and bank deposits represent 18.98% (previous year 35.2%) of total assets.

Assets

As at 31 December 2023, the total assets amounted to 7,849 million Baht, an increase of 0.5% over the assets at the end of 2022. These were comprised as follows:

	2023		Increase/ (Decrease)	2022	
	Baht ('000)	% to Total Assets		Baht ('000)	% to Total Assets
Cash and cash equivalents	1,488,174	18.98%	(1,257,042)	2,745,216	35.15%
Fixed deposits with financial institutions	1,957,600	24.94%	1,897,600	60,000	0.77%
Trade and other receivables - net	75,488	0.96%	(13,081)	88,569	1.13%
Inventories - net	31,040	0.40%	6,856	24,184	0.31%
Other current assets	34,737	0.44%	7,679	27,058	0.35%
Other non-current financial assets	245,263	3.12%	(89,914)	335,177	4.29%
Long-term loans to and interest receivables from related parties	741,776	9.45%	(296,413)	1,038,189	13.29%
Property, plant and equipment - net	3,209,707	40.89%	(70,584)	3,280,291	42.01%
Intangible assets - net	750	0.01%	437	313	0.01%
Deferred tax assets - net	57,480	0.73%	(145,794)	203,274	2.60%
Other non-current assets	6,661	0.08%	(110)	6,771	0.09%
Total	7,848,676	100.00%	39,634	7,809,042	100.00%

Liabilities and Shareholders' Equity

The Company's authorized capital of Baht 1,300 million has been fully paid up and it has a share premium account of Baht 1,590.4 million. Statutory reserves amounted to Baht 130 million as at the end of the year. The Company has a short-term loan of USD 15 million or Baht 515.8 million from a related party since year 2013.

The current ratio increased to 8.7 against 7.5 in the previous year as a result of increase in fixed deposits.

Cash flows

The cash flow statement highlights the changes in cash flows in operating, investment and financing activities during the year. The ending balance of cash and cash equivalents as 31 December 2023 was Baht 1,488.2 million, a decrease of Baht 1,257.0 million from the previous year. Fixed deposit with financial institutions increased of Baht 1,897.6 million from previous year with ending balance as 31 December 2023 was Baht 1,957.6 million caused by renewal short term fixed deposits to long term fixed deposits due to a downward trend in fixed deposit interest rate. Long-term loans to and interest receivables from related parties ending balance as 31 December 2023 was Baht 741.8 million, a decrease of Baht 296.4 million from previous year due to the impairment losses on financial assets in Yangon properties.

Performance

The Company's consolidated revenues from hotel operations increased by Baht 981.1 million for the year 2023 or a increase of 83.4% point from the previous year. The increase in revenues was a result of increase in occupancies in Shangri-La Hotel, Bangkok by 25.1% points. Whereas occupancy levels in Shangri-La Hotel, Chiang Mai was increased by 23.1% points. ADR of Shangri-La Hotel, Bangkok increased by 19.6% point and ADR of Shangri-La Hotel, Chiang Mai increased by 37.2% point. Food and Beverage revenues increased in totality by 63.3% point mainly from high F&B covers than prior year due to normalization of business and consumer confidence returning.

The consolidated profit before corporate income tax for the year ended 31 December 2023 increased by Baht 391.7 million from the previous year. The increase in consolidated profit before corporate income tax was due to the increase in the Company's profit before corporate income tax of Baht 639.47 million and the increase in loss of subsidiaries of Baht 247.76 million. The increase in loss of subsidiaries was largely due to the increase in impairment losses on financial assets in Yangon properties.

In line with increase in revenues, selling expenses increased by Baht 32.5 million or 33.8 percentage point, administrative expenses increased by Baht 139.8 million or 32.1% point. Depreciation decreased by Baht 11.7 million or 6.8%. Consequently, the total profit before corporate income tax was at Baht 323.5 million. The corporate income tax for this year was Baht 184.0 million. The non-controlling interest of the subsidiary for this year was Baht 1.53 million. As a result, the Company recorded a net profit after tax of Baht 137.99 million for the year ended 31 December 2023 (increased by 272.1%).

Profit per share in 2023 was Baht 1.06 whereas loss per share in 2022 was Baht 0.62.

Significant Financial Information

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2023, 2022 and 2021

(Unit: Baht)

	Consolidated financial statements		
	31 December 2023	31 December 2022	31 December 2021
Assets			
Current assets			
Cash and cash equivalents	1,488,173,873	2,745,215,645	1,352,193,219
Short-term investments in financial assets			
– fixed deposits	1,957,600,000	60,000,000	957,600,000
Trade and other receivables	75,487,750	88,569,223	28,896,803
Inventories	31,039,661	24,184,428	20,296,652
Other current assets	34,737,280	27,057,758	18,341,991
Total current assets	3,587,038,564	2,945,027,054	2,377,328,665
Non-current assets			
Other non-current financial assets	245,263,271	335,176,818	466,102,864
Investments in subsidiaries	-	-	-
Investments in associates	-	-	-
Long-term loans to and interest receivables	-	-	-
from related parties	741,776,349	1,038,189,490	1,113,630,436
Property, plant and equipment	3,209,706,836	3,280,290,507	3,416,582,286
Intangible assets	749,907	313,157	750,015
Deferred tax assets	57,480,124	203,273,648	199,660,874
Other non-current assets	6,660,638	6,771,358	3,395,990
Total non-current assets	4,261,637,125	4,864,014,978	5,200,122,465
Total assets	7,848,675,689	7,809,042,032	7,577,451,130

Significant Financial Information (continued)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023, 2022 and 2021

(Unit: Baht)

	Consolidated financial statements		
	31 December 2023	31 December 2022	31 December 2021
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	222,811,039	192,481,498	99,652,227
Short-term loans from related party	-	-	-
Income tax payable	31,389,822	3,000,337	2,184,886
Advance from customers	138,361,512	170,702,461	67,738,858
Other current liabilities	20,980,348	28,483,457	27,641,409
Total current liabilities	413,542,721	394,667,753	197,217,380
Non-current liabilities			
Provision for long-term employee benefits	92,822,207	88,069,909	96,325,905
Deferred tax liabilities	21,061,885	12,221,713	8,603,948
Other non-current liabilities	22,970,651	21,451,702	24,137,768
Total non-current liabilities	136,854,743	121,743,324	129,067,621
Total liabilities	550,397,464	516,411,077	326,285,001
Shareholders' equity			
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
Share premium	1,590,400,000	1,590,400,000	1,590,400,000
Retained earnings			
Appropriated-statutory reserve	130,000,000	130,000,000	130,000,000
Unappropriated	3,456,048,445	3,312,921,119	3,362,751,288
Other components of shareholders' equity	818,852,570	843,732,546	754,369,021
Equity attributable to owners of the Company	7,295,301,015	7,177,053,665	7,137,520,309
Non-controlling interests of the subsidiary	2,977,210	115,577,290	113,645,820
Total shareholders' equity	7,298,278,225	7,292,630,955	7,251,166,129
Total liabilities and shareholders' equity	7,848,675,689	7,809,042,032	7,577,451,130

Significant Financial Information (continued)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2023, 2022 and 2021

(Unit: Baht)

	Consolidated financial statements		
	2023	2022	2021
Profit or loss:			
Revenue			
Revenue from hotel operations	2,157,035,264	1,175,897,405	334,507,828
Exchange gains	-	-	-
Other income	29,154,470	25,114,450	21,366,005
Total revenue	2,186,189,734	1,201,011,855	355,873,833
Expenses			
Cost of hotel operations	676,827,696	448,111,024	251,838,632
Selling expenses	128,353,377	95,896,872	49,803,533
Administrative expenses	574,596,047	434,816,493	253,094,036
Depreciation and amortisation expenses	161,936,550	173,677,732	201,520,425
Exchange losses	31,399,412	29,177,019	26,239,356
Bad debts	525,535	-	-
Reversal allowance for expected credit losses of			
trade receivables	(2,040,917)	(544,469)	(837,824)
Impairment losses on financial assets	270,447,472	93,119,140	158,071,360
Total expenses	1,842,045,172	1,274,253,811	939,729,518
Operating profit (loss)	344,144,562	(73,241,956)	(583,855,685)
Share of losses from investments in associates	(110,147,023)	(41,349,337)	(27,711,562)
Finance income	89,542,434	46,418,014	29,034,062
Profit (loss) before income tax	323,539,973	(68,173,279)	(582,533,185)
Income tax benefits (expenses)	(184,022,198)	(5,720,349)	96,169,233
Profit (loss) for the year	139,517,775	(73,893,628)	(486,363,952)

Significant Financial Information (continued)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2023, 2022 and 2021

(Unit: Baht)

	Consolidated financial statements		
	2023	2022	2021
Other comprehensive income:			
<i>Other comprehensive income to be reclassified</i>			
<i>to profit or loss in subsequent periods:</i>			
Exchange differences on translation of financial statements in foreign currency	30,926,852	124,748,957	285,519,747
Other comprehensive income to be reclassified to profit or loss in subsequent periods	30,926,852	124,748,957	285,519,747
<i>Other comprehensive income not to be reclassified</i>			
<i>to profit or loss in subsequent periods:</i>			
Actuarial gain (loss) - net of income tax	(4,523,635)	6,391,239	(9,663,666)
Gain (loss) on changes in value of equity investments designated at fair value through other comprehensive income - net of income tax	(44,475,826)	(15,781,742)	80,668,196
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(48,999,461)	(9,390,503)	71,004,530
Total other comprehensive income for the year	(18,072,609)	115,358,454	356,524,277
Total comprehensive income for the year	121,445,166	41,464,826	(129,839,675)
Profit (loss) attributable to:			
Equity holders of the Company	137,985,618	(80,191,154)	(492,809,632)
Non-controlling interests of the subsidiary	1,532,157	6,297,526	6,445,680
	139,517,775	(73,893,628)	(486,363,952)
Total comprehensive income attributable to:			
Equity holders of the Company	118,247,350	39,533,356	(181,124,702)
Non-controlling interests of the subsidiary	3,197,816	1,931,470	51,285,027
	121,445,166	41,464,826	(129,839,674)
Earnings per share			
Basic earnings (loss) per share			
Profit (loss) attributable to equity holders of the Company	1.06	(0.62)	(3.79)

Significant Financial Information (continued)

Shangri-La Hotel Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2023, 2022 and 2021

(Unit: Baht)

	Consolidated financial statements		
	2023	2022	2021
Cash flows from operating activities			
Profit (loss) before tax	323,539,973	(68,173,279)	(582,533,185)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	161,936,551	173,677,732	201,520,425
Reversal allowance for expected credit loss of trade receivables	(2,040,917)	(544,469)	(837,824)
Bad debt	525,535	-	-
Reversal reduction of inventory to net realisable value	(57,739)	(278,201)	298,737
Impairment losses on financial assets	270,447,472	93,119,140	158,071,360
Share of losses from investments in associates	110,147,023	41,349,337	27,711,562
Loss on write-off of assets under construction	8,738,458	-	-
Gain on disposals of building, machinery and equipment	(839,694)	(8,275,050)	(277,632)
Provision for long-term employee benefits	10,254,306	6,797,197	7,409,471
Unrealised loss (gain) on exchange	-	-	-
Dividend income	-	(6,268,880)	(11,721,760)
Finance income	(89,542,434)	(46,418,014)	(29,034,062)
Profit (loss) from operating activities before changes in operating assets and liabilities	793,108,534	184,985,513	(229,392,908)
Operating assets (increase) decrease			
Trade and other receivables	20,307,631	(59,127,951)	(10,323,451)
Inventories	(6,797,494)	(3,609,575)	4,239,205
Other current assets	(6,455,604)	(4,945,070)	5,904,206
Other non-current assets	110,720	(3,375,368)	898,724
Operating liabilities increase (decrease)			
Trade and other payables	19,058,224	85,894,339	1,709,941
Advance from customer	(32,340,949)	102,963,603	(167,998)
Other current liabilities	(7,503,109)	842,048	6,452,368
Provision for long-term employee benefits	(11,156,552)	(7,064,144)	(2,749,897)
Other non-current liabilities	1,518,949	(2,686,066)	2,548,507
Cash flows used in operating activities	769,850,350	293,877,329	(220,881,303)
Cash received from refund of corporate income tax	2,248,591	-	-
Cash paid for corporate income tax	(4,454,347)	(8,091,022)	(8,746,608)
Net cash flows used in operating activities	767,644,594	285,786,307	(229,627,911)

Significant Financial Information (continued)

Shangri-La Hotel Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2023, 2022 and 2021

(Unit: Baht)

	Consolidated financial statements		
	2023	2022	2021
Cash flows from investing activities			
Decrease (increase) in short-term investments in financial assets			
- fixed deposits	(1,897,600,000)	897,600,000	195,000,000
Cash received from interest income	68,006,679	27,099,811	10,177,284
Dividend income	-	6,268,880	11,721,760
Proceeds from sales of other non-current financial assets	42,061,560	124,755,290	87,778,060
Increase in long-term loans to related party	(70,998,622)	-	-
Acquisitions of property, plant and equipment	(88,632,941)	(29,887,421)	(14,458,075)
Acquisitions of intangible assets	(656,511)	(351,721)	(98,100)
Proceeds from disposals of machinery, equipment and motor vehicle	872,375	8,500,029	288,598
Net cash flows from (used in) investing activities	(1,946,947,460)	1,033,984,868	290,409,527
Cash flows from financing activities			
Dividend paid of the subsidiary	(18,774,096)	-	-
Capital reduction paid to non-controlling interests of the subsidiary	(97,023,800)	-	-
Net cash flows used in financing activities	(115,797,896)	-	-
Increase in translation adjustments	26,297,753	25,599,739	29,078,534
Net increase (decrease) in cash and cash equivalents	(1,268,803,009)	1,345,370,914	89,860,150
Effects of exchange rate changes on cash and cash equivalents	11,761,237	47,651,512	99,720,569
Cash and cash equivalents at beginning of year	2,745,215,645	1,352,193,219	1,162,612,500
Cash and cash equivalents at end of year	1,488,173,873	2,745,215,645	1,352,193,219
Supplemental cash flows information			
Non-cash item			
Payables on acquisition of machinery and equipment	11,271,317	6,934,932	-

Financial Ratio

Consolidated Financial Statements		2023	2022	2021
<u>Liquidity Ratios</u>				
Current Ratio	(Times)	8.67	7.46	12.05
Quick Ratio	(Times)	8.51	7.33	11.86
Operating Cash Flow to Current Liabilities	(Times)	1.90	0.97	(1.19)
Account Receivable Turnover	(Times)	34.95	26.27	16.76
Average Collection Period	(Days)	10.30	13.70	21.49
Inventory Turnover	(Times)	24.51	20.15	11.16
Average Inventory Period	(Days)	14.69	17.87	32.26
Account Payable Turnover	(Times)	11.65	11.15	9.21
Average Payment Period	(Days)	30.91	32.29	39.08
Cash Cycle	(Days)	(5.92)	(0.72)	14.67
<u>Profitability Ratios</u>				
Gross Profit Margin	(%)	68.62	61.89	24.71
Net Profit Margin	(%)	6.31	(6.68)	(138.48)
Return on Equity	(%)	1.91	(1.12)	(6.82)
<u>Efficiency Ratio</u>				
Return on Assets	(%)	1.76	(1.04)	(6.46)
Fixed Asset Turnover	(%)	9.24	2.79	(8.30)
Total Asset Turnover	(Times)	0.28	0.16	0.05
<u>Financial Policy Ratio</u>				
Debt to Equity Ratio	(Times)	0.08	0.07	0.04
Interest Coverage	(Times)	-	-	-
Debt Service Coverage - cash basis	(Times)	2.78	9.45	(15.78)
Dividend Ratio	(%)	94.21	-	-

5. General and Other Significant Information

5.1 General Information

The Company holds shares in various juristic persons, contributing to its diversified portfolio of investments. For detailed information on these entities, including financial disclosures and references, kindly refer to the dedicated section on “Business Overview

5.2 Other Information

5.2.1 Other information that may strongly influence investors’ decisions.

None

5.2.2 The restrictions of foreign shareholders in the case where the Company has a policy to seek a resolution of the shareholders’ meeting for offering of capital shares or issuance of transferable subscription right (TSR) to offer to shareholders according to the shareholding proportion without issuance and offering to shareholders in such a way that would oblige the Company to have a duty under foreign law

None

5.3 Legal Disputes

As of 31 December 2023, the Company is not entangled in any substantial legal disputes, except for a few lawsuits involving a limited number of debtors.

5.4 Secondary Market

None



Part 2

Corporate Governance

6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policy

The Company has always recognized the importance of shareholders' transparency and accountability. It is the belief of the Board of Directors of the Company (the "Board") that shareholders can maximize their benefits from good corporate governance. The Board has complied with the 8 principles of Corporate Governance Code for listed companies 2017, or the Corporate Governance Code (CG Code) recommended by the Securities and Exchange Commission (SEC) and understanding of their responsibilities and leadership role in driving good corporate governance.

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

The Board recognizes their roles and responsibilities in establishing business strategies and policies with accountability, prudence, and integrity in the best interest of the Company on the basis of social and environmental responsibility. The Board is responsible for the leadership and control of the Company and approving financial performance, operating and capital expenditure budgets, including any other significant matters that affect the operation of the Company.

The Board is responsible for the preparation of the financial statements. In preparing the financial statements, the generally accepted accounting standards in Thailand have been adopted, appropriate accounting policies have been used and applied consistently and reasonably. The external auditor has primary responsibility for auditing and reporting on the financial statements and the Auditors' Report to the Shareholders is included in this report. It is deemed essential duty of directors to attend the Board of Directors' Meeting on a consistent basis so as to acknowledge the results of operations and various problems arising, to expressing their opinions and to make decisions on these matters of the Company. The Board is scheduled to meet at least four times a year at quarterly intervals and meets more frequently as and when required.

The Board Meeting dates for a financial year are agreed in the final Board Meeting of the preceding year in order that all directors can arrange their time for the meetings efficiently. Every director attends every Board Meeting, except with reasonable excuses. The Board's Meeting minutes contain all important information and are kept properly by the Company Secretary. Furthermore, the Company proposes the Board Meeting to certify such Minutes thereof as proposed in the first agenda of the following Meeting of the Board of Directors.

Principle 2 Define Objectives that Promote Sustainable Value Creation

The Board participates in considering and approving operational plans and budgets of the Company, as well as supervises Management to ensure that the operational plans are effectively implemented to meet budget plans. Furthermore, the Board considers direction to do business for sustainable growth and its ability to compete.

Principle 3 Strengthen Board Effectiveness

The Board is responsible for determining and reviewing the Board structure, number of directors, proportion of Independent Director as well as diversity and qualifications including knowledge, expertise, experience, and specializations to align with the Company's business operations. The Board also appoints the Audit Committee to assist and to support the Board's discharge of duties.

Nomination and Appointment of Directors and Independent Directors

The Company has not established a nomination committee. New directors are sought mainly through referrals or internal promotion. In evaluating whether an appointee is suitable to act as a Director of the Company, the Board will review the independence, experience, skills, and knowledge of the appointee including integrity of the appointee.

The Company mandates that at least 1/3 of the total number of directors be Independent Directors. Currently, the Board of Directors consists of four Independent Directors as follows:

1. Mr. Kovit Poshyananda
2. Mr. Jayavadh Bunnag
3. Mr. Kledchai Benjaathonsirikul
4. Mr. Supot Singhasaneh

Principle 4 Ensure Effective CEO and People Management

The Company has put in place a proper and transparent nomination process for key management positions at every level in order to ensure that all of our top executives are professionals who perform their duties independently from the major shareholder and other shareholders. The Company also encourages the top executives to attend seminar and courses beneficial to the fulfillment of their duties as well as exchange ideas with the executives of different organizations.

The Company has the policy to develop personnel by setting up a Learning and Development department with the objective to increase knowledge and develop working skills for both operational employees and office staff. Training was organized both inside and outside the premises. In addition, training was provided on a regular basis with close follow-up. This is to ensure that employees are able to provide the highest standards of service and create customer satisfaction.

Principle 5 Nurture Innovation and Responsible Business

The Board values and supports to support the creating of innovation through the Company's Management which will create value for the Company and its stakeholders in a sustainable manner. Various policies have been set and implemented into the business operations with concern for safety, hygiene, social and environmental responsibility and development of employees.

Role of the Stakeholders

The Company has adopted the AA1000 Stakeholder Engagement Standards (AA1000SES) for identifying stakeholder groups, analyzing engagement in the value chain, analyzing needs and expectations, assessing and prioritizing using impact criteria, and clarifying the influence of stakeholders on the Company's operations.

The Company is conscious of the rights of various stakeholders involved in operations such as shareholders and investors, customers, business partners, employees, community and environment, and government sectors. The rights have been fairly appropriated to all stakeholders in order to strengthen cooperation between those and the Company and to create the highest mutual benefits on Good Corporate Governance basis.

The Company has issued a Code of Conduct and Ethics for employees (based on the Shangri-La Group guidelines) as ethical principles to follow in the workplace day to day operations. It also has in place clear channels of communication for whistleblowers in line with the Shangri-La Group whistle-blowing guidelines. At Shangri-La, we believe that treating people fairly, honestly and with respect is not only part of our culture but the key to our business success. In dealing with guests, colleagues, business partners, shareholders, or suppliers, and government sectors, we are committed to certain core values that define our reputation and brand: integrity, fairness, respect, ethical business conduct, and excellence in service.

1. Shareholders and Investors

The Board of Directors places significant emphasis on upholding the rights and equality of shareholders. This commitment is manifested through the specification that shareholders possess the right to receive share certificates and transfer shares. Furthermore, shareholders are entitled to receive information that is sufficient, timely, and conducive to decision-making. They also retain the right to attend and vote at shareholder meetings, crucial for deciding on

significant changes in the company's policies, the election and removal of directors, and the approval of the appointment of the Company's annual auditor. In addition, shareholders have the right to partake in the determination of compensation and the allocation of profits in shareholder meetings based on the number of shares, ensuring equal distribution. The proceedings of shareholder meetings are diligently recorded, and resolutions are disclosed to shareholders and relevant government agencies in accordance with information disclosure guidelines mandated by government regulations.

2. Customers

The Company is committed to ensuring customer satisfaction and fostering confidence. A key focus is on providing attentive and responsible customer service, ensuring customers receive high-quality products at fair prices and in accordance with established standards. The Company adheres strictly to terms and conditions set with customers. Continuous efforts are made to elevate the quality standards of products and services. A serious and consistent approach is maintained to cultivate and sustain strong relationships with customers. Importantly, customer information is not utilized unlawfully for the Company's benefit or that of related parties, except when mandated by legal enforcement, rules and regulations, or with the explicit consent of the information owner.

3. Business Partners

The Company follows a systematic process for selecting business partners, facilitating equal competition among trading partners and ensuring fair partner selection. The criteria for evaluating and selecting business partners are clearly defined. In addition, the Company has established a contract format that is equitable for all parties involved. A monitoring system is in place to guarantee full compliance with contract conditions, mitigating the risk of corruption and misconduct throughout the procurement process. The Company engages in the purchase of products and/or services from trading partners in accordance with trade conditions and strictly adheres to the terms outlined in contracts with its trading partners.

4. Employees

The Company recognizes the paramount importance of its personnel as a key success factor. As part of its established policy, the Company is committed to ensuring fair treatment for employees at all levels, fostering an environment free from discrimination in terms of opportunities, rewards, appointments, and transfers. A core focus is on maintaining a safe working environment that prioritizes the well-being of employees, guided by comprehensive safety, occupational health, and working environment policies. These policies aim to prevent loss of life from accidents and mitigate the risk of injuries and work-related illnesses. The Company is dedicated to continuous learning and development opportunities for its personnel, aiming to harness their knowledge and abilities to their full potential. This involves regular and thorough initiatives such as organizing training sessions, seminars, and workshops, ensuring equal access for all employees. In an effort to retain employees with high knowledge and abilities, the Company provides incentives, contributing to ongoing organizational development. Furthermore, the Company has instituted guidelines to combat corruption, fostering a culture of compliance with relevant laws and regulations among all employees. Stringent measures are in place, including the strict prohibition of the use of inside information and other unethical practices.

5. Communities and Environment

The Company gives importance to cohabitation with community by arranging activities beneficial for community, including keeping cleanliness and safety of the community in a continuous manner, such as providing training to the

employees to be informed of fire prevention, fire distinguishing practice, and cleansing of surrounding areas. Various CSR activities are established and implemented in corresponding to the community's need. In addition, the Company aims to support the employees to have a concern about environment to conserve natural resources and to take care of environment, as a policy on management which has been observed by the Company. Shangri-La Hotel is the first hotel in Thailand to achieve ISO 14001 Certification. Moreover, Shangri-La Hotel, Bangkok also achieved HACCP (Hazard Analysis and Critical Point System) certification.

6. Government Sectors

The Company is committed to conducting business with transparency, fairness, and compliance with regulations and laws, aiming to set a positive example for other companies.

Principle 6 Effective Risk Management and Internal Control

The Board has responsibility to review and ensure effective risk management systems and internal control together with reviewing and assessing the systems periodically and in the wake of a change in risk levels.

The Board has established the Audit Committee to review the financial reporting and accounting system to meet international standards, and review internal control, internal auditing, and risk management systems to ensure their prudence, suitability, and efficiency. The Audit Committee can act and exercise independent judgement in the interest of the Company and the Shareholders.

Principle 7 Ensure Disclosure and Financial Integrity

The Board is responsible for overseeing and monitoring to ensure that the preparation of financial statements and disclosure of material information are accurate, sufficient, timely and complying with the relevant regulations and guidelines. The Board also realizes the importance of information disclosure and distribution to investors and shareholders; hence, the Board assigns the Company Secretary to supervise financial information and crucial information disclosure, inclusive of other information which may affect the decision-making of investors and shareholders, in the correct, complete, and punctual manners as prescribed by laws and in accordance with the rules set out by the Stock Exchange of Thailand and the Office of the SEC, and also enables shareholders and investors or the public to inquire the information as to the Company via the Company Secretary.

The Board realizes the importance of accurate and reliable financial statements, and thus produces a report of the Board of Directors' Responsibilities for financial statements which includes all the main issues as prescribed in the SET's guidelines.

The Company has a policy to prevent Board of Directors and Executive Management from using inside information or information obtained from their duties for their own benefits by imposing a requirement for reporting on the shareholding by the Board and Executive Management at every Board of Directors' Meeting and every time upon change in their securities holding to prevent the directors and management from using internal information to the extent that may cause damage to overall shareholders.

Principle 8 Ensure Engagement and Communication with Shareholder

The Company has always recognized the importance of transparent and equal treatment for shareholders by taking into account basic rights under laws to be given to the shareholders, such as knowledge of correct and sufficient information of the Company; right to dividend allocation; share trade and transfer; and participation in shareholders' meeting to appoint or remove directors, to determine director remuneration, and to appoint the auditor and determine audit fee; including to do any act affecting the Company, by holding the shareholders' meeting at least once a year to enable the shareholders to know a variety of information of the Company and to consider and approve various matters.

Further details are available in Attachment 5.

6.2 Business Ethics

The Shangri-La Group upholds moral principles, conducting business with transparency, morality, and responsibility towards stakeholders, society, and the environment. It establishes standards for business conduct, believing that treating co-workers with fairness, honesty, and respect is not only an organizational culture but also the key to business success in fostering connections with guests, fellow employees, business associates, shareholders, and trading partners. We remain committed to our core values, including honor and the Shangri-La brand's principles of honesty, fairness, respect, business ethics, and excellent service. The Shangri-La Code of Conducts and Ethics ("Code") is designed to affirm, support, and promote these values, serving as a guide for all employees on behalf of Shangri-La. Recognizing that fair, honest, and respectful business standards contribute to success, we understand the importance of maintaining an ethical organization that develops and creates sustainable value.

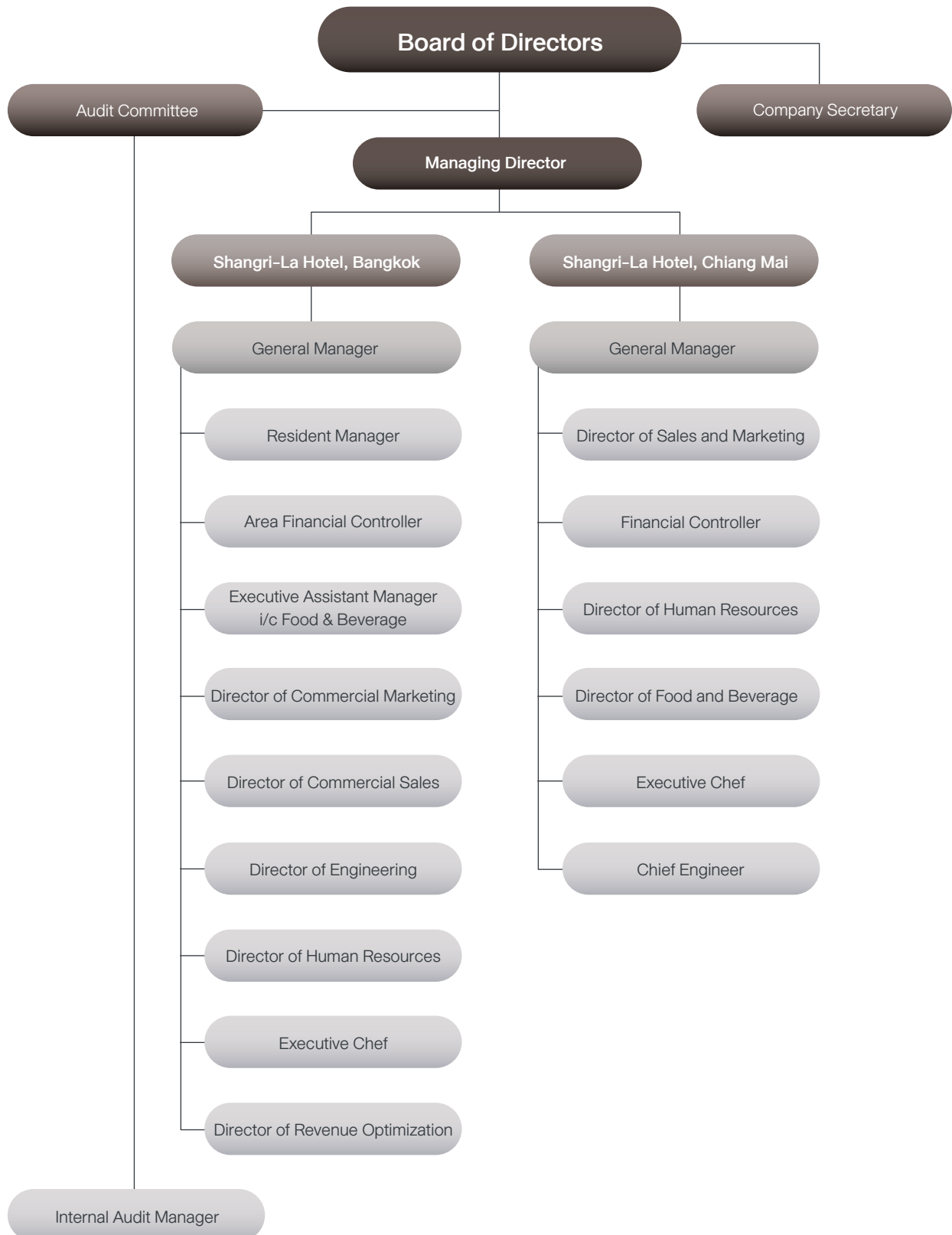
Additional details shall be reviewed from the Code of Conducts and Ethics in Attachment 5.

6.3 Significant Changes and Developments in Policies, Practices and Corporate Governance Systems in the Past Year.

-None-

7. Corporate Governance Structure and Significant Information about the Board of Directors, Sub-committees, Executives, Employees, and Others

7.1 Corporate Governance Structure



7.2 Information on the Board of Directors

7.2.1 Composition of the Board of Directors

To ensure appropriate segregation of policy issuing from regular managerial responsibilities, the Chairman of the Board is an independent and not one of the Management except for the period that Chairman position, who is an independent director, is vacant. The Board also comprises another four independent directors who bring independent judgment, knowledge, and experience to the Board's deliberation.

7.2.2 Names and Positions of the Board of Directors

Board of Directors

As of 31 December 2023, the Company's Board of Directors comprised 10 members including 4 independent directors.

Board of Director	Position
1. Mr. Maris Pakdeetaveevivat	Vice Chairman and Managing Director
2. Mr. Wu Hoi Fai Alfred*	Director
3. Mrs. Chanida Asdathorn	Director
4. Mr. Surin Asdathorn	Director
5. Mr. Nutthapol Asadathorn**	Director
6. Mrs. Pavinee Meensuk	Director
7. Mr. Kovit Poshyananda	Independent Director
8. Mr. Jayavadh Bunnag	Independent Director
9. Mr. Kledchai Benjaathonsirikul	Independent Director
10 Mr. Supot Singhasaneh	Independent Director

* Mr. Wu Hoi Fai Alfred was appointed as the new director by the Shareholders at the Annual General Meeting of Shareholders on 27 April 2023 and be registered with the Department of Business Development on 28 April 2023.

** Mr. Nutthapol Asadathorn was appointed as the new director by the Board of Directors at its Meeting on 20 February 2023 and be registered with the Department of Business Development on 20 February 2023.

*** Mr. Chan Kong Leong resigned from his position as a director, effective from 31 December 2023. As of now, no new director have been appointed to replace.

Authorized Signatory

The directors who are authorized to sign to bind the Company are as follows:

Any two of Mr. Maris Pakdeetaveevivat and/or Mr. Wu Hoi Fai Alfred and/or Mrs. Chanida Asdathorn and/or Mr. Surin Asdathorn and/or Mr. Nutthapol Asadathorn and/or Mrs. Pavinee Meensuk to sign jointly and affix the Company's seal".

Controlling person

None

7.2.3 Roles and Duties of the Board of Directors

The Board is responsible for leading and controlling of the Company, approving financial performance, operating and capital expenditure budgets, including any other significant matters that affect the operation of the Company.

The Board is responsible for the preparation of the financial statements. In preparing the financial statements, the generally accepted accounting standards in Thailand have been adopted, appropriate accounting policies have been used and applied consistently and reasonably. The external auditor has primary responsibility for auditing and reporting on the financial statements and the Auditors' Report to the shareholders is included in this Form 56-1 One Report.

It is deemed essential duty of directors to attend the Board of Directors' Meeting on a consistent basis so as to acknowledge the results of operations and various problems arising, to join expressing their opinions and making their decisions in the problem-solving for operations of the Company. The Board is scheduled to meet at least four times a year at quarterly intervals and meets more frequently as and when required. The Board Meeting dates for a financial year are pre-scheduled in the final Board Meeting of the preceding year in order that all directors can arrange their time for the meetings efficiently. Every director normally attends every Board meeting, except with reasonable excuses. The Board's meeting minutes contains all important information and are kept properly by the Company Secretary. Furthermore, the Company proposes the Board Meeting to certify such Minutes thereof as proposed in the first agenda of the following Board Meeting.

In addition, in order to support the performance of duty of the Board of Directors to meet the goals set forth, the Company provides the Company Secretary to render recommendations on rules, regulations, laws, and criteria, in relation to the businesses of the Company, and to oversee and coordinate a variety of activities of the Board of Directors and the management done in compliance with the resolutions of the Board and the resolutions of shareholders.

The Company has not established a nomination committee. New directors are sought mainly through referrals or internal promotion. In evaluating whether an appointee is suitable to act as a Director of the Company, the Board will review the independence, experience, skills, and knowledge of the appointee including integrity of the appointee.

Aggregation or Segregation

The Company emphasizes on transparent business. To ensure appropriate segregation of policy issuing from regular managerial responsibilities, the Chairman of the Board is normally an independent director. The Board also comprises another four independent directors who bring independent judgment, knowledge, and experience to the Board's deliberation.

Leadership and Vision

The Board of Directors participates in considering and approving operational plans and budgets of the Company, as well as supervises Management to ensure that the operational plans are effectively implemented to meet budget plans. Furthermore, the Board considers direction to do business for sustainable growth and its ability to compete.

Remuneration for Directors and Management

The Company discloses the remuneration information in this Form 56-1 One Report. The remuneration for directors and management is appropriate and comparable to the general practice in the same industry. Remuneration for directors is approved by the shareholders..

Conflict of Interests

To avoid any conflict of interests, all directors of the Company are required to follow rules and regulations of the Stock Exchange of Thailand regarding Connected Transaction and relevant laws including obvious disclosure of related party transactions. Moreover, the Company has policies to prevent directors, management, or related parties from appropriating the internal information for their own benefits.

Business Code of Conduct

Business Ethics

To achieve good corporate governance as well as to promote ethical business practices, the employee manual is produced and distributed to all employees. The Board of Directors has complied with the Code of Best Practice for Directors of Listed Companies in accordance with the Stock Exchange of Thailand's guidelines.

7.3 Information of Sub-committees

7.3.1 Structure and Composition of Sub-committees

The Company's management structure comprises the Board of Directors, along with two sub-committees appointed by the Board of Directors: the Audit Committee and the Executive Committee.

7.3.2 The names of the sub-committees are as follows:

Audit Committee

The Audit Committee comprises four independent directors as follows:

Audit Committee	Position
1. Mr. Kovit Poshyananda	Chairman of the Audit Committee and Independent Director with expertise in finance and accounting
2. Mr. Jayavadh Bunnag	Member of the Audit Committee and Independent Director
3. Mr. Kledchai Benjaathonsirikul	Member of the Audit Committee and Independent Director
4. Mr. Supot Singhasaneh (Appointed on 15/11/2023)	Member of the Audit Committee and Independent Director with expertise in financial and accounting matters.

The Audit Committee was established on 15 November 1999, and currently comprises four independent directors. The scope of work of the Audit Committee are as follows:

1. To review the financial reporting process of the Company to ensure accurate and adequate disclosure;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient;
3. To ensure the Company is in compliance with the Securities and Exchange Acts, the regulations of the Stock Exchange of Thailand, and any other laws governing the Company's business;
4. To determine the independence of the internal audit department, as well as to approve the appointment, transmission, and dismissal of the internal audit manager;
5. To consider, select and nominate an independent person to act as an external auditor of the Company, to recommend his/her remuneration, and to attend the non-management meeting with the external auditor at least once a year;
6. To review and ensure that connected transactions or the transactions that may lead to potential conflict of interest are conducted in compliance with the laws and regulations of the Stock Exchange of Thailand so as to ascertain such transactions are for the best interests of the Company
7. To prepare and disclose the Report of the Audit Committee in the Form 56-1 One Report of the Company. The Report of the Audit Committee must be signed by the Chairman of the Audit Committee and contains the following details:
 - a) The opinion of the Audit Committee regarding the accuracy, completeness, reliability of the financial statements of the Company;
 - b) The opinion of the Audit Committee regarding the adequacy of the internal control system of the Company;
 - c) The opinion of the Audit Committee regarding the compliance with the Securities and Exchange Acts, the regulations of the Stock Exchange of Thailand, and any other laws governing the Company's business;
 - d) The opinion of the Audit Committee regarding the suitability of the external auditor of the Company;
 - e) The opinion of the Audit Committee regarding the transactions that may lead to potential conflict of interest;
 - f) The number of the meeting of the Audit Committee held during the year and individual attendance of each member;
 - g) Any other opinions or remarks received by the Audit Committee, when performing its duty in accordance with the Charter of the Audit Committee; and
 - h) Other issues deemed necessary to be disclosed to the shareholders and the investors under the roles and responsibilities authorized by the Board.
8. In performing the duty of the Audit Committee, when the following transactions or actions that may materially affect the financial status or operational performance of the Company are found or suspected, the Audit Committee must report the finding of the said event to the Board for corrective actions within a proper period as fixed by the Audit Committee:
 - a) Transaction with conflict of interest;
 - b) Fraud, irregularity, or material defect in the internal control system; and
 - c) Violation of the Securities and Exchange Acts, the regulations of the Stock Exchange of Thailand, and any other laws governing the Company's business.

In the case that the Board or the management fails to make rectification within the specified period, any one of the Audit Committee members may report such transactions or actions to the Securities and Exchange Commission or the Stock Exchange of Thailand

9. To review and ensure efficiency of the risk management system of the Company;
10. To review and amend the Charter of the Audit Committee, subject to the approval of the Board; and
11. To perform any other tasks as assigned by the Board and agreed by the Audit Committee.

Nomination Committee

The Company has not established a nomination committee. New directors are sought mainly through referrals or internal promotion. In evaluating whether an appointee is suitable to act as a Director of the Company, the Board will review the independence, experience, skills, and knowledge of the appointee including integrity of the appointee.

7.4 Names and Positions of the Company's Executives

7.4.1 List of names and positions of the executives

Shangri-La Hotel, Bangkok

- | | |
|-----------------------------------|---|
| 1. Mrs. Yue Toy Hang | General Manager |
| 2. Mr. Golden Vessel Whitehead | Resident Manager |
| 3. Ms. Nipa Smanot | Area Financial Controller |
| 4. Mr. Keith Santosh Rajan | Executive Assistant Manager i/c Food & Beverage |
| 5. Mr. Almario Villanueva Mungcal | Director of Commercial Marketing |
| 6. Ms. Puey Kee Lim | Director of Commercial Sales |
| 7. Mr. Chee Hoong Lee | Director of Engineering |
| 8. Mrs. Patchanee Phuritatt | Director of Human Resources |
| 9. Mr. Phillip Trevor Taylor | Executive Chef |
| 10. Mr. Jeremiah Timothy Stefan | Director of Revenue Optimization |

Shangri-La Hotel, Chiang Mai

- | | |
|---------------------------|---------------------------------|
| 1. Mr. Gabriele Lombardo | General Manager |
| 2. Ms. Wiyada Sornprapha | Director of Sales and Marketing |
| 3. Mr. Songkran Tiranon | Financial Controller |
| 4. Ms. Sukanya Jittanan | Director of Human Resources |
| 5. Mr. Ezani Bin Amir | Director of Food and Beverage |
| 6. Mr. Guillaume Comparat | Executive Chef |
| 7. Mr. Chalerm Proka | Chief Engineer |

7.4.2 Remuneration Policy for Executive Directors and Executives

To maintain the Company's world-class service standard which is recognized internationally and create morale

for the management team who have devoted all their strength and experience that has been accumulated for a long time to create sustainability for the Company's business. Therefore, it is necessary to set appropriate remuneration policies for directors and executives, both in terms of professional standards and in accordance with the situation and overall performance of the Company.

7.4.3 Remuneration for Directors and Executive Management

The remuneration paid to the Company's Board of Directors and Executive Management for the year ended 31 December 2023 are as follows:

The Board of Directors:

Name	Remuneration (baht)		Total
	Director	Audit Committee	
1. Mr. Maris Pakdeetaveevivat	180,000	-	180,000
2. Mr. Wu Hoi Fai Alfred (Appointed on 27/04/2023 and registered with the Department of Business Development on 28/04/2023)	122,301	-	122,301
3. Mrs. Chanida Asdathorn	180,000	-	180,000
4. Mr. Surin Asdathorn	180,000	-	180,000
5. Mr. Nutthapol Asadathorn (Appointed on 20/02/2023 and registered with the Department of Business Development on 20/02/2023)	155,342	-	155,342
6. Mrs. Pavinee Meensuk	180,000	-	180,000
7. Mr. Kovit Poshyananda	180,000	400,000	580,000
8. Mr. Jayavadh Bunnag	180,000	300,000	480,000
9. Mr. Kledchai Benjaathonsirikul	180,000	300,000	480,000
10. Mr. Supot Singhasaneh (Appointed to the position of new Audit Committee member on 15/11/2023)	180,000	38,630	218,630
11. Mr. Chan Kong Leong (Resigned on 31/12/2023)	180,000	-	180,000
12. Mr. Lee Hui Yeow (Retired by term on 27/04/2023)	57,205	-	57,205
13. Mr. Somkiat Asadathorn (Resigned on 20/02/2023)	24,658	-	24,658
Total	1,979,506	1,038,630	3,018,136

Remark: The Annual General Meeting of Shareholders, which was held on 27 April 2023, resolved to approve the payment of annual remuneration of the Board of Directors and the Audit Committee for the year 2023 at rates specified in the table below. No other benefits or remuneration was provided to the directors.

Position	Remuneration per person per year (baht)
Chairman of the Board of Directors	500,000
Director	180,000
Chairman of the Audit Committee	400,000
Audit Committee	300,000

Executive Management

In the year 2023, the Company paid salary and bonus including provident fund contribution to the Company's Executive Management in a total amount of 60.7 million Baht.

7.5 Employees

As of 31 December 2023, the Company has a total of 935 full-time employees, comprising 725 employees at Shangri-La Hotel, Bangkok, and 210 employees at Shangri-La Hotel, Chiang Mai, which can be categorized as follows:

(unit: person)		
Type of Staff	Shangri-La Hotel, Bangkok	the Shangri-La Hotel, Chiang Mai
- Operational staff	633	172
- Office staff	92	38
Total	725	210

The Company has the policy to develop personnel by setting up a Learning and Development department with the objective to increase knowledge and develop working skills for both operational employees and office staff. Trainings were organized both inside and outside the premises. In addition, in-house trainings were provided on a monthly basis with close follow-up. This is to ensure that employees are able to provide the highest standards of service and create customer satisfaction.

In 2023, the Company incurred employee expenses totaling 496.75 million Baht.

7.6 Other Significant Information

7.6.1 Company Secretary

The Company Secretary, Miss Nongthanus Tansavatdi, is responsible for giving advice on rules, regulations, laws, and regulations related to the Company's business; and supervising and coordinating the activities of the Board of Directors and Executive Management to comply with the resolutions of the Board of Directors and shareholders' resolutions. The responsibilities also include the disclosure of financial reports, important information, as well as other

information that may affect the decision of investors and shareholders with accuracy, completeness, and timeliness as required by laws and criteria set by the Stock Exchange of Thailand (“SET”) and the Office of Securities and Exchange Commission (“SEC”). The profile of the Company Secretary is shown in Attachment 1.

7.6.2 Person assigned the highest responsibility in Accounting and Finance

The person who has been assigned the highest responsibility in the Company’s Accounting and Finance Department is Miss Nipa Samanot who is the Area Financial Controller, appear in Attachment 1.

7.6.3 Person holding the position of Internal Audit of the Company

According to the License Agreement between the Company and Shangri-La International Hotel Management Pte. Ltd. (SLIM SG), SLIM SG has an established framework of procedures and internal controls which the management of each operating business unit is required to comply. In addition, SLIM SG is responsible for reviewing and providing assurance of the effectiveness, adequacy and integrity of Shangri-La Group’s system of risk and control management, compliance with Shangri-La Group policies and procedures, and recommends improvements. The Company appointed its Internal Audit Manager to follow up results of Internal Audit report, cooperate with SLIM SG’s internal audit and local operation team in conducting the internal audit and internal control and directly report to the Audit Committees to ensure its independence.

7.6.4 Person holding the position of Head of Compliance Unit

The Company was not officially appointed the Head of the Compliance; however, the Board of Directors has assigned the Company Secretary to give advice on rules, regulations, laws, and regulations related to the company’s business. The Company Secretary also has duties to supervise and coordinate the activities of the Board of Directors and executives to comply with the resolutions of the Board of Directors and shareholders’ resolutions and to ensure that the disclosure of financial reports, important information, and other information that may affect the decision of investors and shareholders is accurate, complete, and in a timely manner as required by law and in accordance with the criteria set by the SET and the SEC. There is also a general manager of each hotel to supervise the administration and operations in accordance with the policies received from the Board in order to achieve the Company’s objectives.

7.6.5 The Remunerations of the Auditor

Audit fee

The following auditors of EY Office Limited, Mrs. Wilai Sunthornwanee – Certified Public Accountant (Thailand) No. 7356 and/or Ms. Kessirin Pinpuvadol – Certified Public Accountant (Thailand) No. 7325 and/or Mr. Chatchai Kasemsrithanawat – Certified Public Accountant (Thailand) No. 5813, were appointed as the Company’s auditors for the fiscal year ended 31 December 2023 with the remuneration of 1,760,000 Baht (2022: 1,480,000 Baht).

Non-Audit fee

There was no transaction for non-audit fee paid during the year 2023.

8. Report on Key Operating Results related to Corporate Governance

8.1 Summary of duty performance of the Board of Directors in the past year

The Board of Directors acknowledges the significance of conducting business with transparency, aligning with the principles of good corporate governance, and demonstrating responsibility to stakeholders, society, and the environment. In this regard, we adhere to the principles of good governance, aiming for sustainable long-term benefits to all involved parties. Throughout the year 2023, the Board of Directors has diligently fulfilled its duties by providing support and offering recommendations beneficial to business operations in various aspects. This includes policymaking, strategy formulation, overseeing the adequacy of the internal control system, and managing organizational risks. The collaboration of all executives and employees within the group of companies, committed to operating in accordance with the Company's guidelines and policies, has been instrumental in these efforts.

8.1.1 Recruitment, Development and Evaluation of Committee Performance

Additional consideration can be made according to the criteria presented in Attachment 5.

8.1.2 The Board of Directors' Meetings and the Attendance of Each Member

During the financial year ended 31 December 2023, five Board of Directors' Meetings were held to consider various business matters including the results of operations and other problems, to express their opinions and make their decisions relating to the operations of the Company. The Board has reviewed and approved the financial statements, operating and capital expenditure budgets. Moreover, any other significant matters that affect the operation of the Company has been proposed and approved by the Board.

Every director attends every Board meeting, except with reasonable excuses. The attendance record is set out in the table below:

Director	Meeting attended/Eligible to attend	%
1. Mr. Maris Pakdeetaveevivat	5/5	100 %
2. Mr. Wu Hoi Fai Alfred *	3/3	100 %
3. Mrs. Chanida Asdathorn	5/5	100 %
4. Mr. Surin Asdathorn	5/5	100 %
5. Mr. Nutthapol Asadathorn **	4/4	100 %
6. Mrs. Pavinee Meensuk	5/5	100 %
7. Mr. Kovit Poshyananda	4/5	80 %
8. Mr. Jayavadh Bunnag	5/5	100 %
9. Mr. Kledchai Benjaathonsirikul	4/5	80 %
10. Mr. Supot Singhasaneh	4/5	80 %

* Mr. Wu Hoi Fai Alfred was appointed as the new director by the Shareholders at the Annual General Meeting of Shareholders on 27/04/2023 and be registered with the Department of Business Development on 28/04/2023.

** Mr. Nutthapol Asadathorn was appointed as the new director by the Board of Directors at its Meeting on 20/02/2023 and be registered with the Department of Business Development on 20/02/2023.

8.1.3 Supervision of Subsidiaries and Associated Companies

The Board of Directors supervises its subsidiaries and associates on their corporate governance for all operations. The appointment of directors and executives of subsidiaries/associates has been carried out with due consideration to ensure that the appointed persons are qualified and knowledgeable and possess work ethics, a sense of responsibility, and leadership qualities, all of which will enable them to manage the subsidiaries/associates efficiently, create long-term returns and add value for shareholders, as well as to inspire confidence in all stakeholders and promote proper auditing and the system of check and balance in the subsidiaries/associates.

The Company also oversees disclosure of financial information and operating results; connected transactions between subsidiaries/associates and related parties; disposal or acquisition of assets; or material transactions to completely and accurately comply with the rules and procedures stipulated by the announcement of the Office of SEC and/or the SET.

8.1.4 Corporate Governance Policy and Guideline Compliance Control

(1) Prevention of Conflict of Interests

Conflict of Interests

To avoid any conflict of interests, all directors of the Company are required to follow rules and regulations of the Stock Exchange of Thailand regarding Connected Transaction and relevant laws including obvious disclosure of related party transaction. Moreover, the Company has policies to prevent directors, management or related parties from appropriating the internal information for their own benefits.

(2) Use of Inside Information to Seek Benefits

The Company has a policy to prevent Board of Directors and Executive Management from using inside information or information obtained from their duties for their own benefits by imposing a requirement for reporting on the holding of shares by Board of Directors and Executive Management at every Board of Directors' Meeting.

(3) Anti-corruption Action

Guidelines for Disclosure of Results of Anti-corruption Measures

The Board of Directors put a lot of focus on corporate governance for all operations within the Company and its subsidiaries and affiliates. In addition, the Company has issued a Code of Conduct and Ethics for employees (based on the Shangri-La Group guidelines) as ethical principles to follow in the workplace day to day operations. It also has in place clear channels of communication for whistleblowers in line with the Shangri-La Group whistle-blowing guidelines and whistle-blowing protection policy. At Shangri-La we believe that treating people fairly, honestly and with respect is not only part of our culture but key to our business success. In dealing with guests, colleagues, business partner, shareholders or suppliers, we are committed to certain core values that define our reputation and brand: integrity, fairness, respect, ethical business conduct and excellence in service.

The Roles and Responsibilities including Anti-Corruption Guidelines were reviewed and approved by the Board at its meeting held on 26 February 2018.

The Board at its meeting held on 26 February 2018 also approved for the Company to participate in the "Thai Private Sector Collective Action Coalition against-Corruption" in order to corroborate the Company's standpoint and emphasize on every Anti-Corruption case. Participation in the project was temporarily suspended during the

COVID-19 outbreak.

Nevertheless, The Company has planned to continue working on the anti-corruption assessment and development of policies and guidelines in order to obtain a Collective Action Coalition against-Corruption Certificate.

(4) Whistleblowing

The Company has notices and requirements regarding the Code of Conduct and Ethics for Employees which are in accordance with the Shangri-La Group's policy as the principle of ethical conduct and communication with the organization so that employees can report fraud clues, suspicious incidents and wrongdoings, quickly and transparency.

Because the Company believes that treating everyone with fairness, honesty and dignity is not only part of corporate culture but also essential to making any business successful. The Company is committed to adhering to the corporate values such as adherence to moral principles, honesty, equal treatment with mutual respect and conducting business with ethical principles and providing excellent service to reflect the reputation and good image of the organization.

Shangri-La Group has developed a Code of Conduct and Ethics as a guideline for all employees at all levels. This Code of Conduct and Ethics covers the aspect human right issues, treating each other with respect accept diversity and differences, promoting career growth without discrimination of gender, religion, ethnicity, status, family status, etc., and do not support harassment of any kind in the workplace or outside of the workplace or any actions that cause the party being acted to feel embarrassed or uncomfortable. Shangri-La Group has organized training courses on operational guidelines for all employees as well as opens a channel for complaints and a policy called Whistle-Blowing. It is a tool for receiving complaints from employees for reporting human rights violations or other wrongdoings related to corruption.

8.2 Report on the Results of Duty Performance of the Audit Committee

8.2.1 The Audit Committee's Meetings and the Attendance of Each Member

The Audit Committee met four times during the financial year ended 31 December 2023 and the attendance record is set out in the table below:

Audit Committee	Position	Meeting attended/ Eligible to attend	percent
1. Mr. Kovit Poshyananda	Chairman of the Audit Committee and Independent Director with expertise in finance and accounting	4/4	100 %
2. Mr. Jayavadh Bunnag	Independent Director	4/4	100 %
3. Mr. Kledchai Benjaathonsirikul	Independent Director	4/4	100 %
4. Mr. Supot Singhasaneh (Appointed on 15/11/2023)	Independent Director with expertise in finance and accounting	-	-

8.2.2 Duties Performance of the Audit Committee

The Audit Committee performed activities within the scope of its Charter as assigned by the Board of Directors for the year 2023 as follows.

1. The Audit Committee checked the reliability of financial reports by reviewing the quarterly and annual financial statements. The Audit Committee invited external auditors and the management to attend the meetings to consider that financial reporting was in conformity with the auditing standards, the accounting standards and financial reporting standards to ensure all financial reports were presented fairly in all respects. In one of the meetings, the Audit Committee also took the liberty of meeting with external auditors without the Company representatives. The external auditors confirmed that they performed the engagements objectively and independently, with good cooperation of the management.

2. The Audit Committee checked the reliability of Internal Control, conformance to tax laws and business operations were in line with their objectives.

3. The Audit Committee received and approved the Internal Audit Summary Report for the year 2023 and follow-up reports on corrective actions taken. In reviewing the Company's system of internal control, the Audit Committee discussed the matter with the Financial Controller and Internal Audit Manager. The Committee has come to the conclusion that the Company has an adequate and appropriate internal control system.

4. The Audit Committee assessed the independence of the Company's auditors before proposing them as the Company's auditors for the accounting period ending 31 December 2024. The Board of Directors will consider this assessment, including determining the remuneration for the auditors.

On 19 February 2024, the Audit Committee also reviewed the financial statements of the Company for the year ended 31 December 2023 prior to recommending them to the Board of Directors for approval.

9. Internal Control and Related Party Transactions

9.1 Internal Control

Opinion of the Board of Directors

The Board realizes the importance of building internal control systems for operations and compliance. The Board also monitors its internal financial control system through management reviews and a program of internal audits. There is an internal audit team to review and monitor the Company's compliance with the established systems. The internal audit team reviews the major operational and financial systems on a continuing basis and aims to cover all major operations within every division on a rotational basis. The internal audit function reports directly to the Audit Committee.

At the Board of Directors' Meeting No. 1/2024 held on 19 February 2024 with directors in attendance, three of whom were members of the Audit Committee, the Board of Directors reviewed the Management's Summary of Internal Control of the Company for all five components: Control Environment, Risk Assessment, Control Activities, Information and Communications System, and Monitoring System.

The Board concurred that the internal control system of the Company was adequate and appropriate, and the Board found no significant insufficiencies.

9.1.1 The Adequacy and Suitability of the Internal Control System

The Company emphasizes the establishment of a suitable internal control system that is adequate to effectively supervise operations, ensuring alignment with goals, objectives, and relevant laws and regulations. This system is designed to prevent, manage, and mitigate risks and potential damages to the company and its stakeholders. It safeguards assets from corruption and harm while ensuring the provision of accurate and reliable accounting reports. The Audit Committee, comprised of independent directors, has been appointed to oversee risk management and audit processes, evaluating the adequacy and effectiveness of the Company's risk management system, as well as the reliability of financial reports and internal control systems by evaluating under the concept of COSO (The Committee of Sponsoring Organization of the Treadway Commission), which consists of

- (1) Control Environment
- (2) Risk Assessment
- (3) Control Activities
- (4) Information and Communication
- (5) Monitoring Activity

9.1.2 Use of Inside Information to Seek Benefits

The Company has a policy to prevent Board of Directors and Executive Management from using inside information or information obtained from their duties for their own benefits by imposing a requirement for reporting on the securities holding of Board of Directors and Executive Management at every Board of Directors' Meeting.

9.1.3 Opinion of the Audit Committee

Please refer to Attachment 6 for details.

9.2 Related Party Transactions

To ensure the Company's best interests and in accordance with the rules and regulations as prescribed by law for consideration of granting of approval for connected transactions, related transactions or transactions with potential conflict of interest, the Directors and Management shall disclose to the Company in advance whether they hold any stakes involving potential conflict of interest. The Company, in turn, shall consider the appropriateness of any transaction, and in cases where such transactions need approval in accordance with the regulations and procedures prescribed by law, the management shall propose such matters to the Board of Directors or at the Shareholders' Meeting, and shall disclose the information to investors in a transparent manner. Under no circumstances shall the Directors or Management concerned be allowed to participate in the process of considering approval of those transactions.

During the year 2023, the Company has entered into connected transactions with related parties as per details which were disclosed to the Stock Exchange of Thailand as set out below:

- Renewal of HR Training Services Agreement

The Company's Board of Directors meeting resolved at its meeting No. 5/2023 held on 13 November 2023, approving the Company to renew HR Training Services Agreement (Shangri-La Academy Online) (the "Agreement")

with Shangri-La International Hotel Management Pte. Ltd. (the “Service Provider”) for another period of 3 years starting from 1 January 2024 – 31 December 2026.

As the Company operates two hotels under the brand Shangri-La Group, the Company is required to ensure that all colleagues are trained on a standard of service and product knowledge to be able to provide services to guest with the Shangri-La Standard at all time.

By entering into this Agreement with the Service Provider who develops all courses and have them available online that all colleagues of Shangri-La Hotel, Bangkok (“SLBK”) and Shangri-La Hotel, Chiang Mai (“SLCM”) can learn anywhere and anytime. This online platform will also be used for administration, tracking and delivery of e-learning courses.

The service fees which the Company agrees to pay the Service Provider will be 1.0 percent of the actual monthly basic pay incurred by each of SLBK and SLCM in respect of its employee headcount.

The estimated service fees for 1 January 2024 – 31 December 2026 is 11.43 million Baht representing approximately 0.15 percent of the Company’s Net Tangible Asset Value (“NTA”) as at 30 September 2023 (the NTA of the Company as at 30 September 2023 was 7,443.93 million Baht). The Company has entered into the similar agreements with the Service Provider to engage the service of the Service Provider for the past six months which were approved by the Board of Directors Meeting No. 3/2022 on 9 May 2022 and disclosed the matter to the Stock Exchange of Thailand on the same day as follows:

- For the period of 1 January 2022 to 31 December 2023 with the service fees of 5.55 million Baht representing approximately 0.08 percent of the Company’s NTA as at 30 September 2023.

Therefore, the total value of the connected transaction previously approved by the Board of Directors Meeting No. 3/2022 including the estimated value of this Agreement will be 16.98 million Baht which represents approximately 0.23 percent of the Company’s NTA as at 30 September 2023. Therefore, the total value of this connected transaction is more than 0.03 percent but lower than 3 percent of the Company’s NTA. Accordingly, the Company is required to seek approval from Board of Directors and disclose the transaction to the Stock Exchange of Thailand.

The Company is a 73.61 percent indirectly owned subsidiary of Shangri-La Asia Limited (“SA”) through its subsidiaries. The Service Provider is an indirect wholly-owned subsidiary of SA through its subsidiaries and is therefore a connected person of the Company. Furthermore, Mr. Chan Kong Leong and Mr. Wu Hoi Fai Alfred, who are directors of the Service Provider, are also directors of the Company.

The following directors of the Company have not participated in voting for the approval of the said transaction:

- 1) Mr. Chan Kong Leong (a common director of the Company and the Service Provider)
- 2) Mr. Wu Hoi Fai Alfred (a common director of the Company and the Service Provider)

The Board of Directors of the Company including the Audit Committee and the independent directors are of the view that the terms including the service fees are fair and reasonable and in the interest of the Company and its shareholders as a whole.

Moreover, during the year 2023, the Company and its subsidiaries had significant business transactions with related parties. Such transactions were concluded on terms and bases agreed upon between the Company and those related parties with the general trading conditions as per details appeared in Note 6 of Notes to Consolidated Financial Statements.



Part 3

Financial Statements

Report on the Board of Directors' Responsibility for the Financial Statements

The Board of Directors is accountable for the financial statements of the Company and its subsidiaries, as well as the financial information presented in this report. The financial statements, subject to review by the Audit Committee, were prepared in compliance with financial reporting standards. Appropriate accounting policies were selected and consistently applied in their preparation.

The Board of Directors has instituted effective corporate governance practices and upheld a robust risk management system and internal controls. This is to guarantee accurate and comprehensive recording of accounting information, presenting information based on key facts in a timely and sufficient manner. The objective is to safeguard assets and prevent corruption or significantly abnormal operations.

The Board of Directors has appointed an Audit Committee comprising the independent directors to supervise and assess the reliability and accuracy of financial reports. This includes evaluating the effectiveness of the internal control system and internal audit. The Audit Committee's opinion on this matter is detailed in the Audit Committee Report presented in this year's report.

The Board of Directors is of the opinion that the financial statements of the Company and its subsidiaries for the year ending 31 December 2023, provide comprehensive, accurate, and reliable information in accordance with financial reporting standards. This alignment is affirmed by the auditor's examination and opinions expressed in the certified public accountant's report presented in this annual report

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 2023, 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 2023, 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 including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were 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 to the matter is described below.

Allowance for impairment losses on long-term loans to and interest receivables from related parties

As disclosed in Note 6 to financial statements, as of 31 December 2023 the Group had long-term loans to and interest receivables from related parties, specifically three associated companies, which are significant to the consolidated statements of financial position. I have paid particular attention to the determination of the allowance for impairment losses on loans to and interest receivables from those associates, as these considerations required the exercise of significant management judgment regarding to projections of the future operating performance of the associates, as well as determining an appropriate discount rate and key assumptions.

I gained an understanding of and assessed management's identification of the cash-generating units of the associated companies, the assumptions underlying the future cash flow projections of the associated companies provided by an independent appraiser and management, and the process of obtaining such figures. I compared these assumptions with external and internal sources of information, as well as previous cash flow projections with actual operating results, in order to assess management's judgement in preparing the cash flow projections of the associated companies. Additionally, I conducted a comparison between the long-term growth rate and economic and industry forecasts. I assessed the appropriateness of the discount rate used by comparing it to available comparable industry data.

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.



Kessirin Pinpuvadol

Certified Public Accountant (Thailand) No. 7325

EY Office Limited

Bangkok: 19 February 2024

Statement of financial position

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	1,488,173,873	2,745,215,645	197,604,673	1,246,628,962
Short-term investments in financial assets					
- fixed deposits		1,957,600,000	60,000,000	1,830,000,000	60,000,000
Trade and other receivables	6, 8	75,487,750	88,569,223	68,034,481	74,871,269
Inventories	9	31,039,661	24,184,428	31,039,661	24,184,428
Other current assets		34,737,280	27,057,758	33,524,218	25,839,586
Total current assets		3,587,038,564	2,945,027,054	2,160,203,033	1,431,524,245
Non-current assets					
Other non-current financial assets	10	245,263,271	335,176,818	-	-
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	741,776,349	1,038,189,490	-	-
Property, plant and equipment	13	3,209,706,836	3,280,290,507	3,207,853,222	3,278,436,893
Intangible assets		749,907	313,157	749,907	313,157
Deferred tax assets	19	57,480,124	203,273,648	57,480,124	190,109,856
Other non-current assets		6,660,638	6,771,358	6,660,638	6,771,358
Total non-current assets		4,261,637,125	4,864,014,978	4,575,743,891	4,778,631,264
Total assets		7,848,675,689	7,809,042,032	6,735,946,924	6,210,155,509

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

Statement of financial position (Continued)

As at 31 December 2023

(Unit: 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>
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 14	222,811,039	192,481,498	220,645,024	190,645,556
Short-term loans from related party	6	-	-	515,814,000	521,002,500
Income tax payable		31,389,822	3,000,337	-	-
Advance from customers		138,361,512	170,702,461	138,361,512	170,702,461
Other current liabilities		<u>20,980,348</u>	<u>28,483,457</u>	<u>20,965,989</u>	<u>28,480,855</u>
Total current liabilities		<u>413,542,721</u>	<u>394,667,753</u>	<u>895,786,525</u>	<u>910,831,372</u>
Non-current liabilities					
Provision for long-term employee benefits	15	92,822,207	88,069,909	92,822,207	88,069,909
Deferred tax liabilities	19	21,061,885	12,221,713	-	-
Other non-current liabilities		<u>22,970,651</u>	<u>21,451,702</u>	<u>22,970,651</u>	<u>21,451,702</u>
Total non-current liabilities		<u>136,854,743</u>	<u>121,743,324</u>	<u>115,792,858</u>	<u>109,521,611</u>
Total liabilities		<u>550,397,464</u>	<u>516,411,077</u>	<u>1,011,579,383</u>	<u>1,020,352,983</u>
Shareholders' equity					
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	16	130,000,000	130,000,000	130,000,000	130,000,000
Unappropriated		3,456,048,445	3,312,921,119	2,703,967,541	2,169,402,526
Other components of shareholders' equity		<u>818,852,570</u>	<u>843,732,546</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company		<u>7,295,301,015</u>	<u>7,177,053,665</u>	<u>5,724,367,541</u>	<u>5,189,802,526</u>
Non-controlling interests of the subsidiary	11	<u>2,977,210</u>	<u>115,577,290</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>7,298,278,225</u>	<u>7,292,630,955</u>	<u>5,724,367,541</u>	<u>5,189,802,526</u>
Total liabilities and shareholders' equity		<u>7,848,675,689</u>	<u>7,809,042,032</u>	<u>6,735,946,924</u>	<u>6,210,155,509</u>

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

Statement of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Profit or loss:					
Revenue					
Revenue from hotel operations		2,157,035,264	1,175,897,405	2,157,035,264	1,175,897,405
Exchange gains		-	-	5,188,500	-
Other income		29,154,470	25,114,450	29,154,470	18,845,570
Total revenue		2,186,189,734	1,201,011,855	2,191,378,234	1,194,742,975
Expenses					
Cost of hotel operations		676,827,696	448,111,024	676,827,696	448,111,024
Selling expenses		128,353,377	95,896,872	128,353,377	95,896,872
Administrative expenses		574,596,047	434,816,493	573,047,779	433,148,630
Depreciation and amortisation expenses		161,936,550	173,677,732	161,936,550	173,677,732
Exchange losses		31,399,412	29,177,019	-	17,109,000
Bad debts	8	525,535	-	525,535	-
Reversal allowance for expected credit losses of					
trade receivables	8	(2,040,917)	(544,469)	(2,040,917)	(544,469)
Impairment losses on financial assets	6, 12	270,447,472	93,119,140	-	-
Total expenses		1,842,045,172	1,274,253,811	1,538,650,020	1,167,398,789
Operating profit (loss)		344,144,562	(73,241,956)	652,728,214	27,344,186
Share of losses from investments in associates	6, 12	(110,147,023)	(41,349,337)	-	-
Finance income	17	89,542,434	46,418,014	20,121,077	6,039,245
Profit (loss) before income tax expenses		323,539,973	(68,173,279)	672,849,291	33,383,431
Income tax expenses	19	(184,022,198)	(5,720,349)	(133,760,641)	(7,799,983)
Profit (loss) for the year		139,517,775	(73,893,628)	539,088,650	25,583,448

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

Statement of comprehensive income (Continued)

For the year ended 31 December 2023

(Unit: 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>
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		30,926,852	124,748,957	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		30,926,852	124,748,957	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial gain (loss) - net of income tax		(4,523,635)	6,391,239	(4,523,635)	6,391,239
Loss on changes in value of equity investments designated at fair value through other comprehensive income - net of income tax	10	(44,475,826)	(15,781,742)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(48,999,461)	(9,390,503)	(4,523,635)	6,391,239
Total other comprehensive income for the year		(18,072,609)	115,358,454	(4,523,635)	6,391,239
Total comprehensive income for the year		121,445,166	41,464,826	534,565,015	31,974,687
Profit (loss) attributable to:					
Equity holders of the Company		137,985,618	(80,191,154)	539,088,650	25,583,448
Non-controlling interests of the subsidiary	11	1,532,157	6,297,526		
		<u>139,517,775</u>	<u>(73,893,628)</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		118,247,350	39,533,356	534,565,015	31,974,687
Non-controlling interests of the subsidiary		3,197,816	1,931,470		
		<u>121,445,166</u>	<u>41,464,826</u>		
Earnings per share					
Basic earnings (loss) per share	20				
Profit (loss) attributable to equity holders of the Company		<u>1.06</u>	<u>(0.62)</u>	<u>4.15</u>	<u>0.20</u>

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

Statement of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company									
	Other components of shareholders' equity									
	Other comprehensive income									
	Exchange differences on translation of financial statements in foreign currency									
Issued and fully paid-up share capital	Share premium	Appropriated	Retained earnings	Fair value reserve - net of income tax	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity		
Balance as at 1 January 2022	1,300,000,000	130,000,000	3,362,751,288	(30,288,984)	754,369,021	7,137,520,309	113,645,820	7,251,166,129		
Profit (loss) for the year	-	-	(80,191,154)	-	-	(80,191,154)	6,297,526	(73,893,628)		
Other comprehensive income for the year	-	-	6,391,239	(11,415,686)	113,333,271	119,724,510	(4,366,056)	115,358,454		
Total comprehensive income for the year	-	-	(73,799,915)	(11,415,686)	113,333,271	39,533,356	1,931,470	41,464,826		
Transfer gain on changes in fair value of equity instruments sold to retained earnings	-	-	23,969,746	(23,969,746)	(23,969,746)	-	-	-		
Balance as at 31 December 2022	1,300,000,000	130,000,000	3,312,921,119	(65,674,416)	843,732,546	7,177,053,665	115,577,290	7,292,630,955		
Balance as at 1 January 2023	1,300,000,000	130,000,000	3,312,921,119	(65,674,416)	843,732,546	7,177,053,665	115,577,290	7,292,630,955		
Profit for the year	-	-	137,985,618	-	-	137,985,618	1,532,157	139,517,775		
Other comprehensive income for the year	-	-	(4,523,635)	(46,141,485)	(15,214,633)	(19,738,268)	1,665,659	(18,072,609)		
Total comprehensive income for the year	-	-	133,461,983	(46,141,485)	(15,214,633)	118,247,350	3,197,816	121,445,166		
Dividend paid of the subsidiary (Note 11)	-	-	-	-	-	-	(18,774,096)	(18,774,096)		
Decrease in capital of the subsidiary (Note 11)	-	-	-	-	-	-	(97,023,800)	(97,023,800)		
Transfer gain on changes in fair value of equity instruments sold to retained earnings (Note 10)	-	-	9,665,343	(9,665,343)	(9,665,343)	-	-	-		
Balance as at 31 December 2023	1,300,000,000	130,000,000	3,456,048,445	(121,481,244)	818,852,570	7,295,301,015	2,977,210	7,298,278,225		

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

Statement of changes in shareholders' equity (Continued)

For the year ended 31 December 2023

	Separate financial statements					(Unit: Baht)
	Issued and fully paid-up share capital	Share premium	Retained earnings		Total shareholders' equity	
			Appropriated	Unappropriated		
Balance as at 1 January 2022	1,300,000,000	1,590,400,000	130,000,000	2,137,427,839	5,157,827,839	
Profit for the year	-	-	-	25,583,448	25,583,448	
Other comprehensive income for the year	-	-	-	6,391,239	6,391,239	
Total comprehensive income for the year	-	-	-	31,974,687	31,974,687	
Balance as at 31 December 2022	1,300,000,000	1,590,400,000	130,000,000	2,169,402,526	5,189,802,526	
Balance as at 1 January 2023	1,300,000,000	1,590,400,000	130,000,000	2,169,402,526	5,189,802,526	
Profit for the year	-	-	-	539,088,650	539,088,650	
Other comprehensive income for the year	-	-	-	(4,523,635)	(4,523,635)	
Total comprehensive income for the year	-	-	-	534,565,015	534,565,015	
Balance as at 31 December 2023	1,300,000,000	1,590,400,000	130,000,000	2,703,967,541	5,724,367,541	

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

Cash flow statement

For the year ended 31 December 2023

(Unit: 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 tax	323,539,973	(68,173,279)	672,849,291	33,383,431
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	161,936,551	173,677,732	161,936,551	173,677,732
Reversal allowance for expected credit loss of trade receivables	(2,040,917)	(544,469)	(2,040,917)	(544,469)
Bad debts	525,535	-	525,535	-
Reversal reduction of inventory to net realisable value	(57,739)	(278,201)	(57,739)	(278,201)
Impairment losses on financial assets	270,447,472	93,119,140	-	-
Share of losses from investments in associates	110,147,023	41,349,337	-	-
Loss on write-off of assets under construction	8,738,458	-	8,738,458	-
Gain on disposals of building, machinery and equipment	(839,694)	(8,275,050)	(839,694)	(8,275,050)
Provision for long-term employee benefits	10,254,306	6,797,197	10,254,306	6,797,197
Unrealised loss (gain) on exchange	-	-	(5,188,500)	17,109,000
Dividend income	-	(6,268,880)	-	-
Finance income	(89,542,434)	(46,418,014)	(20,121,077)	(6,039,245)
Profit from operating activities before changes in operating assets and liabilities	793,108,534	184,985,513	826,056,214	215,830,395
Operating assets (increase) decrease				
Trade and other receivables	20,307,631	(59,127,951)	13,745,101	(46,141,150)
Inventories	(6,797,494)	(3,609,575)	(6,797,494)	(3,609,575)
Other current assets	(6,455,604)	(4,945,070)	(6,476,004)	(4,931,589)
Other non-current assets	110,720	(3,375,368)	110,720	(3,375,368)
Operating liabilities increase (decrease)				
Trade and other payables	19,058,224	85,894,339	18,728,151	85,097,435
Advance from customer	(32,340,949)	102,963,603	(32,340,949)	102,963,603
Other current liabilities	(7,503,109)	842,048	(7,514,866)	839,536
Provision for long-term employee benefits	(11,156,552)	(7,064,144)	(11,156,552)	(7,064,144)
Other non-current liabilities	1,518,949	(2,686,066)	1,518,949	(2,686,066)
Cash flows from operating activities	769,850,350	293,877,329	795,873,270	336,923,077
Cash received from refund of corporate income tax	2,248,591	-	2,248,591	-
Cash paid for corporate income tax	(4,454,347)	(8,091,022)	(3,457,219)	(2,566,182)
Net cash flows from operating activities	<u>767,644,594</u>	<u>285,786,307</u>	<u>794,664,642</u>	<u>334,356,895</u>

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

Cash flow statement (Continued)

For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Cash flows from investing activities					
Decrease (increase) in short-term investments in financial assets					
- fixed deposits		(1,897,600,000)	897,600,000	(1,770,000,000)	875,000,000
Cash received from interest income		68,006,679	27,099,811	14,728,146	6,064,049
Dividend income		-	6,268,880	-	-
Proceeds from sales of other non-current financial assets		42,061,560	124,755,290	-	-
Increase in long-term loans to related party	6	(70,998,622)	-	-	-
Acquisitions of property, plant and equipment		(88,632,941)	(29,887,421)	(88,632,941)	(29,887,421)
Acquisitions of intangible assets		(656,511)	(351,721)	(656,511)	(351,721)
Proceeds from disposals of building, machinery and equipment		872,375	8,500,029	872,375	8,500,029
Net cash flows from (used in) investing activities		(1,946,947,460)	1,033,984,868	(1,843,688,931)	859,324,936
Cash flows from financing activities					
Dividend paid of the subsidiary	11	(18,774,096)	-	-	-
Capital reduction paid to non-controlling interests of the subsidiary	11	(97,023,800)	-	-	-
Net cash flows used in financing activities		(115,797,896)	-	-	-
Increase in translation adjustments		26,297,753	25,599,739	-	-
Net increase (decrease) in cash and cash equivalents		(1,268,803,009)	1,345,370,914	(1,049,024,289)	1,193,681,831
Effects of exchange rate changes on cash and cash equivalents		11,761,237	47,651,512	-	-
Cash and cash equivalents at beginning of year		2,745,215,645	1,352,193,219	1,246,628,962	52,947,131
Cash and cash equivalents at end of year		1,488,173,873	2,745,215,645	197,604,673	1,246,628,962
Supplemental cash flows information					
Non-cash item					
Payables on acquisition of machinery and equipment		11,271,317	6,934,932	11,271,317	6,934,932

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

Notes to consolidated financial statements

For the year ended 31 December 2023

1. General information

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, Bangkok, Bangkok.

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”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2023</u>	<u>2022</u>
			(Percent)	(Percent)
<u>Subsidiary held directly by the Company</u>				
Town Development Company Limited	Holding investment	Thailand	100.00	100.00
<u>Subsidiaries held through its subsidiaries</u>				
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 which are effective for fiscal years beginning on or after 1 January 2023. 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 2024

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 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group 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

Revenue from hotel operations

Revenue from hotel business, comprises room revenue is recognised over time during the period of stay for the hotel guests. Revenue from sales of food and beverages is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers 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).

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:

Allowance for impairment losses on long-term loans to and interest receivables from related parties

The Group had paid particular attention to the determination of the allowance for impairment losses on 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 summarized below, were concluded on terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	
<u>Transactions with associated companies</u>					
Interest income	16	19	-	-	0.92 to 5.50 percent per annum
<u>Transactions with related companies</u>					
Revenue from hotel operations	44	43	44	43	Contract price and normal business price
Management fees	71	43	71	43	Contract price
Marketing and promotion fees	6	3	6	3	Contract price
Advertising and reservation fees	14	14	14	14	Contract price
Training fees	3	3	3	3	Contract price

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Trade receivables - related parties (Note 8)</u>				
Directors				
Directors	116	110	116	110
Related companies				
Others	1,261	5,397	1,261	5,397
Total trade receivables - related parties	1,377	5,507	1,377	5,507
<u>Other receivables - related parties (Note 8)</u>				
Related companies				
Shangri-La International Hotel Management Pte., Ltd.	2,382	4,483	2,382	4,483
Others	442	902	442	902
Total other receivables - related parties	2,824	5,385	2,824	5,385

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
		<u>2023</u>	<u>2022</u>
<u>Long-term loans to and interest receivables</u>			
<u>from related parties</u>			
Associated companies			
Non-interest bearing			
Traders Square Company Limited		46,390	46,850
		46,390	46,850
Interest bearing			
Traders Yangon Company Limited		629,429	562,473
Shangri-La Yangon Company Limited		841,460	841,430
Traders Square Company Limited		866,042	867,275
		2,336,931	2,271,178
Total		2,383,321	2,318,028
Less: Allowance for impairment losses on			
financial assets (Note 12)		(1,224,277)	(967,824)
Total		1,159,044	1,350,204
Less: Share of losses from investments in			
associates (Note 12)		(417,268)	(312,015)
Total long-term loans to and interest receivables			
from related parties - net		741,776	1,038,189

The interest-bearing portions of the loans carry interest at rates of 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 as described in Note 12.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Other payables - related parties (Note 14)</u>				
Related companies				
Shangri-La International Hotel Management Pte., Ltd.	30,105	38,331	29,749	38,248
Others	1,026	1,161	239	351
Total other payables - related parties	<u>31,131</u>	<u>39,492</u>	<u>29,988</u>	<u>38,599</u>

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

Hasfield Holdings Pte., Ltd.	-	-	515,814	521,003
Total short-term loans from related party	<u>-</u>	<u>-</u>	<u>515,814</u>	<u>521,003</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	during	during	Translation	as at
	1 January 2023	the year	the year	adjustment	31 December 2023
<u>Long-term loans to and interest receivables</u>					
<u>from related parties</u>					
Associated companies					
Non-interest bearing					
Traders Square Company Limited	46,850	-	-	(460)	46,390
Interest bearing					
Traders Yangon Company Limited	562,473	70,999	-	(4,043)	629,429
Shangri-La Yangon Company Limited	841,430	8,425	-	(8,395)	841,460
Traders Square Company Limited	867,275	7,400	-	(8,633)	866,042
Total	2,318,028	86,824	-	(21,531)	2,383,321
Less: Allowance for impairment losses on					
financial assets	(967,824)	(270,447)	-	13,994	(1,224,277)
Total	1,350,204	(183,623)	-	(7,537)	1,159,044
Less: Share of losses from investments in					
associates (Note 12)	(312,015)	(110,147)	-	4,894	(417,268)
Total long-term loans to and interest receivables					
from related parties - net	1,038,189	(293,770)	-	(2,643)	741,776

During the current year, a subsidiary granted loans to the associated company in Myanmar, Traders Yangon Company Limited, to provide the loan of USD 2.1 million or approximately Baht 71.0 million as in proportion to the subsidiary's shareholding in the associated, carrying an interest rate of 5.5% per annum. The loan is to be repaid no longer than 5 years from the relevant drawdown date. The loan is subordinated loan and unsecured.

Subsequently, on 15 February 2024, the subsidiary granted loans to the associated company, amounting to USD 0.7 million or approximately Baht 25.5 million.

The significant increase of Baht 270.4 million (2022: Baht 93.1 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			Balance
	as at	Increase	Decrease	as at
	1 January 2023	during the year	during the year	Gains on exchange 31 December 2023
<u>Short-term loans from related party</u>				
Subsidiary				
Hasfield Holdings Pte., Ltd.	521,003	-	-	(5,189)
Total short-term loans from related party	521,003	-	-	(5,189)

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Group had employee benefit expenses to their directors and management as detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2023	2022
Short-term employee benefits	60,969	55,470
Post-employment benefits	2,781	2,548
Total	63,750	58,018

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 23.2 to the financial statements.

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash	1,833	3,135	1,826	3,122
Bank deposits	1,486,341	2,742,081	195,779	1,243,507
Total	<u>1,488,174</u>	<u>2,745,216</u>	<u>197,605</u>	<u>1,246,629</u>

As at 31 December 2023, the Group has bank deposits in saving accounts and fixed deposits carried interests between 0.00 and 5.61 percent per annum (2022: between 0.20 and 4.25 percent per annum) (the Company only: between 0.35 and 2.30 percent per annum, 2022: between 0.20 and 0.85 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Trade receivables - related parties</u> (Note 6)				
Age on the basis of invoice date				
Less than 120 days	1,377	5,507	1,377	5,507
Total trade receivables - related parties	<u>1,377</u>	<u>5,507</u>	<u>1,377</u>	<u>5,507</u>
<u>Trade receivables - unrelated parties</u>				
Age on the basis of invoice date				
Less than 120 days	55,683	62,215	55,683	62,215
120 - 180 days	1,070	387	1,070	387
Over 180 days	967	3,117	967	3,117
Total	<u>57,720</u>	<u>65,719</u>	<u>57,720</u>	<u>65,719</u>
Less: Allowance for expected credit losses	<u>(894)</u>	<u>(2,935)</u>	<u>(894)</u>	<u>(2,935)</u>
Total trade receivables - unrelated parties, net	<u>56,826</u>	<u>62,784</u>	<u>56,826</u>	<u>62,784</u>
Total trade receivables - net	<u>58,203</u>	<u>68,291</u>	<u>58,203</u>	<u>68,291</u>
<u>Other receivables</u>				
Other receivables - related parties (Note 6)	2,824	5,385	2,824	5,385
Other receivables - unrelated parties	488	6,630	488	68
Interest receivables	13,973	8,263	6,519	1,127
Total other receivables	<u>17,285</u>	<u>20,278</u>	<u>9,831</u>	<u>6,580</u>
Total trade and other receivables - net	<u>75,488</u>	<u>88,569</u>	<u>68,034</u>	<u>74,871</u>

The normal credit term is 30 days to 90 days.

During 2023, the Company write-off trade receivables of Baht 0.5 million.

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements/Separate financial statements					
			Reduce cost to net			
	Cost		realisable value		Inventories - net	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Food and beverages	15,369	10,872	-	-	15,369	10,872
General supplies	11,453	10,082	-	-	11,453	10,082
Engineering tools, spare parts and supplies	5,078	4,148	(860)	(918)	4,218	3,230
Total	31,900	25,102	(860)	(918)	31,040	24,184

During the current year, the Company reversed the write-down of cost of inventories Baht 0.06 million to reflect the net realisable value (2022: Baht 0.3 million).

10. Other non-current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2023</u>	<u>2022</u>
<u>Equity instruments designated at FVOCI</u>		
Listed equity instruments		
Shangri-La Asia Limited - related party	245,263	297,994
Don Muang Tollway Public Company Limited	-	37,183
Total equity instruments designated at FVOCI	245,263	335,177

Equity instruments designated at FVOCI of listed equity instruments which the Group considers these instruments to be strategic in nature.

Movements of the equity instruments designated at FVOCI for the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Don Muang Tollway					
	Shangri-La Asia Limited		Public Company Limited		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Fair value as at 1 January	297,994	291,375	37,183	174,728	335,177	466,103
Gain (loss) recognised into other						
comprehensive income	(48,379)	(5,550)	4,879	(12,790)	(43,500)	(18,340)
Disposal during the year	-	-	(42,062)	(124,755)	(42,062)	(124,755)
Translation adjustment	(4,352)	12,169	-	-	(4,352)	12,169
Fair value as at 31 December	<u>245,263</u>	<u>297,994</u>	<u>-</u>	<u>37,183</u>	<u>245,263</u>	<u>335,177</u>

In 2023, the subsidiary sold of its investments in equity interest in Don Muang Tollway Public Company Limited which have the fair value on the disposal date 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.

In 2022, the subsidiary received dividends in the amount of Baht 6.3 million from Don Muang Tollway Public Company Limited.

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

11. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</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>

For the years 2023 and 2022, the Company has not received dividends from investments in subsidiaries.

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	
			2023	2022	2023	2022
					(Percent)	(Percent)
<u>Subsidiaries held through Town Development Company Limited</u>						
TRR-Kerry Development Company Limited	Holding investment	Thailand	Baht 3.6 million	Baht 231 million	57.33	57.33
Apizaco Limited	Holding investment	Hong Kong	HKD 206 million	HKD 206 million	100.00	100.00
Hasfield Holdings Pte., Ltd.	Dormant	Singapore	SGD 34 million	SGD 34 million	100.00	100.00
Traders Hotel and Resort Limited	Dormant	Thailand	Baht 0.2 million	Baht 0.2 million	100.00	100.00
<u>Subsidiary held through Apizaco Limited</u>						
Zukerman Limited	Holding investment	British Virgin	USD 1	USD 1	100.00	100.00

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	
	2023	2022	2023	2022	2023	2022
	(Percent)	(Percent)				
TRR-Kerry Development Company Limited	42.67	42.67	2,977	115,577	1,532	6,298

TRR-Kerry Development Company Limited is an indirect subsidiary (shareholding at 57.33 percent) held through Town Development Company Limited, another subsidiary of the Company. During the year 2023, the significant transactions are as follows.

Dividend payment

On 7 March 2023, the Board of Directors Meeting of TRR-Kerry Development Company Limited passed a resolution approving a payment of interim dividend of Baht 19.05 per share from retained earnings as of 31 December 2022 to the shareholders. The subsidiary made the dividend payment of Baht 44.0 million to the shareholders on 31 March 2023 (The dividend payment of Baht 19.0 million to non-controlling interests).

Decrease in capital

During the year 2023, the Extraordinary General Meeting of shareholders of the TRR-Kerry Development Company Limited passed a resolution approving a reduction in registered and paid-up share capital for three times. As result from, the registered and paid-up share capital of the subsidiary from Baht 231.00 million decrease to Baht 3.61 million by decreasing the number of shares by 2,273,900 shares with a par value of Baht 100 each.

No changes in the proportion of shareholding. Then, the subsidiary paid such capital reduction of Baht 227.39 million to the shareholders. As a result, the non-controlling interests of the subsidiary in the consolidated financial statements decreased by Baht 97.02 million.

- 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

	(Unit: Thousand Baht)	
	<u>2023</u>	<u>2022</u>
Current assets	7,950	236,993
Non-current assets	-	37,182
Current liabilities	973	73

Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	<u>2023</u>	<u>2022</u>
Revenue	1,442	6,751
Profit (loss)	(12,803)	14,759
Other comprehensive income	3,903	(10,232)
Total comprehensive income	(8,900)	4,527

Summarised information about cash flow

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	<u>2023</u>	<u>2022</u>
Cash flow used in operating activities	(37,061)	(12,346)
Cash flow from investing activities	42,061	131,506
Cash flow used in financing activities	(227,390)	-
Net increase (decrease) in cash and cash equivalents	<u>(222,390)</u>	<u>119,160</u>

12. Investments in associates

12.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements							
			Paid-up capital		Shareholding		Cost		Carrying amounts	
			as at 31 December		percentage				based on equity method	
			<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
					(Percent)	(Percent)				
<u>Associated companies (owned by Zukerman Limited)</u>										
Traders Yangon Company Limited	Hotel	Myanmar	USD 3.6 million	USD 3.6 million	23.53	23.53	30,598	30,902	-	-
Shangri-La Yangon Company Limited	Serviced apartments	Myanmar	USD 2.0 million	USD 2.0 million	22.22	22.22	18,094	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	722	729	-	-
Total							49,414	49,904	-	-

12.2 Summarised financial information of associates

The financial information of these associated companies for the years ended 31 December 2023 and 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.

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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Total assets	1,118,508	1,171,332	3,278,127	3,332,823	2,980,006	3,570,983
Total liabilities	(4,171,494)	(3,971,463)	(3,984,445)	(3,980,762)	(4,164,811)	(4,364,891)
Net (liabilities)/assets	(3,052,986)	(2,800,131)	(706,318)	(647,939)	(1,184,805)	(793,908)

(Unit: Thousand Baht)

	For the years ended 31 December					
	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	13,124	14,231	221,027	221,805	210,476	263,238
Loss	(285,069)	(241,927)	(65,830)	(76,037)	(405,431)	(103,794)

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 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	(3,052,986)	(706,318)	(1,184,805)	(4,944,109)
Shareholding percentage (Percent)	23.53%	22.22%	23.56%	
The Group's interests in associates	(718,368)	(156,944)	(279,140)	(1,154,452)
<u>Investments in associates</u>				
Ordinary shares, at cost	30,598	18,094	722	49,414
Less: Cumulative share of losses from investments in associates	(30,598)	(18,094)	(722)	(49,414)
Total	-	-	-	-

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2023

Traders	Shangri-La	Traders	
Yangon	Yangon	Square	
Company	Company	Company	
Limited	Limited	Limited	Total

Long-term loans to and interest receivables from related parties (Note 6)

Long-term loans to and interest receivables from related parties

	629,429	841,460	912,432	2,383,321
Less: Impairment losses on financial assets	(629,429)	(240,544)	(354,304)	(1,224,277)
Total - net	-	600,916	558,128	1,159,044
Less: Cumulative share of losses from investments in associates	-	(138,850)	(278,418)	(417,268)
Total long-term loans to and interest receivables from related parties - net	-	462,066	279,710	741,776

Unrecognised cumulative share of losses from investments in associates

(687,770)	-	-	(687,770)
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(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2022

Traders	Shangri-La	Traders	
Yangon	Yangon	Square	
Company	Company	Company	
Limited	Limited	Limited	Total

Interests in associates

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	(658,871)	(143,972)	(187,045)	(989,888)

Investments in associates

Ordinary shares, at cost	30,902	18,273	729	49,904
Less: Cumulative share of losses from investments in associates	(30,902)	(18,273)	(729)	(49,904)
Total	-	-	-	-

(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
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**Long-term loans to and interest receivables from
related parties (Note 6)**

Long-term loans to and interest receivables from

related parties	562,473	841,430	914,125	2,318,028
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Less: Impairment losses on financial assets	(562,473)	(125,402)	(279,949)	(967,824)
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Total - net	-	716,028	634,176	1,350,204
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Less: Cumulative share of losses from investments

in associates	-	(125,699)	(186,316)	(312,015)
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Total long-term loans to and interest receivables

from related parties - net	-	590,329	447,860	1,038,189
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Unrecognised cumulative share of losses from

investments in associates	(627,969)	-	-	(627,969)
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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
Cost:							Total
1 January 2022	2,528,775	3,400,221	1,305,828	3,877,124	98,695	6,233	11,262,000
Additions	-	-	2,010	8,758	-	-	36,823
Disposals/write-off	-	(7,790)	(599)	(15,731)	-	-	(24,120)
31 December 2022	2,528,775	3,392,431	1,307,239	3,870,151	98,695	6,233	11,274,703
Additions	-	7,187	15,386	67,083	-	-	99,904
Disposals/write-off	-	(98)	(18,263)	(37,530)	-	-	(64,630)
Transfer in (out)	-	7,027	-	9,632	-	-	-
31 December 2023	2,528,775	3,406,547	1,304,362	3,909,336	98,695	6,233	11,309,978
Accumulated depreciation:							
1 January 2022	-	2,775,149	1,179,611	3,786,500	98,632	5,525	7,845,417
Depreciation for the year	-	104,446	24,080	43,720	54	590	172,890
Depreciation on disposals/write-off	-	(7,567)	(599)	(15,729)	-	-	(23,895)
31 December 2022	-	2,872,028	1,203,092	3,814,491	98,686	6,115	7,994,412
Depreciation for the year	-	105,501	21,862	34,270	-	84	161,717
Depreciation on disposals/write-off	-	(81)	(18,263)	(37,515)	-	-	(55,859)
31 December 2023	-	2,977,448	1,206,691	3,811,246	98,686	6,199	8,100,270
Net book value:							
31 December 2022	2,528,775	520,403	104,147	55,660	9	118	3,280,291
31 December 2023	2,528,775	429,099	97,671	98,090	9	34	3,209,707

(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
Cost:							Total
1 January 2022	2,526,921	3,400,221	1,305,828	3,877,124	98,695	6,233	11,260,146
Additions	-	-	2,010	8,758	-	-	36,823
Disposals/write-off	-	(7,790)	(599)	(15,731)	-	-	(24,120)
31 December 2022	2,526,921	3,392,431	1,307,239	3,870,151	98,695	6,233	11,272,849
Additions	-	7,187	15,386	67,083	-	-	99,904
Disposals/write-off	-	(98)	(18,263)	(37,530)	-	-	(64,630)
Transfer in (out)	-	7,027	-	9,632	-	-	-
31 December 2023	2,526,921	3,406,547	1,304,362	3,909,336	98,695	6,233	11,308,123
Accumulated depreciation:							
1 January 2022	-	2,775,149	1,179,611	3,786,500	98,632	5,525	7,845,417
Depreciation for the year	-	104,446	24,080	43,720	54	590	172,890
Depreciation on disposals/write-off	-	(7,567)	(599)	(15,729)	-	-	(23,895)
31 December 2022	-	2,872,028	1,203,092	3,814,491	98,686	6,115	7,994,412
Depreciation for the year	-	105,501	21,862	34,270	-	84	161,717
Depreciation on disposals/write-off	-	(81)	(18,263)	(37,515)	-	-	(55,859)
31 December 2023	-	2,977,448	1,206,691	3,811,246	98,686	6,199	8,100,270
Net book value:							
31 December 2022	2,526,921	520,403	104,147	55,660	9	118	3,278,437
31 December 2023	2,526,921	429,099	97,671	98,090	9	34	3,207,853

As at 31 December 2023, 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 5,804 million (2022: Baht 5,742 million).

14. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Trade payables - unrelated parties	64,154	52,078	64,154	52,078
Other payables - related parties (Note 6)	31,131	39,492	29,988	38,599
Other payables - unrelated parties	17,822	14,858	17,749	14,801
Payables for purchase of assets	20,823	9,551	20,823	9,551
Retention payables	4,248	2,467	4,248	2,467
Accrued expenses	84,633	74,035	83,683	73,150
Total trade and other payables	<u>222,811</u>	<u>192,481</u>	<u>220,645</u>	<u>190,646</u>

15. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2023 and 2022, 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		employee benefits plan			
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Defined benefit obligation at beginning of year	82,931	89,346	5,139	6,980	88,070	96,326
<i>Included in profit or loss:</i>						
Current service cost	7,939	5,816	469	578	8,408	6,394
Interest cost	1,965	1,757	124	125	2,089	1,882
Past service costs and gains or losses on settlement	-	-	(242)	(1,479)	(242)	(1,479)
<i>Included in other comprehensive income:</i>						
Actuarial (gain) loss arising from						
Demographic assumptions changes	(1,072)	-	-	-	(1,072)	-
Financial assumptions changes	853	(3,512)	-	-	853	(3,512)
Experience adjustments	5,873	(4,477)	-	-	5,873	(4,477)
<i>Benefits paid during the year</i>	<u>(10,641)</u>	<u>(5,999)</u>	<u>(516)</u>	<u>(1,065)</u>	<u>(11,157)</u>	<u>(7,064)</u>
Defined benefit obligation at end of year	<u>87,848</u>	<u>82,931</u>	<u>4,974</u>	<u>5,139</u>	<u>92,822</u>	<u>88,070</u>

The Company expects to pay Baht 15.9 million of long-term employee benefits during the next year (2022: Baht 19.4 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 12 and 14 years (2022: 11 and 15 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
	(% per annum)	(% per annum)
Discount rate	2.76, 3.04	2.84, 3.33
Future salary increase rate	5.00	5.00
Turnover rate	2.39 - 34.38	2.39 - 28.65

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements/Separate financial statements			
	As at 31 December 2023		As at 31 December 2022	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
Discount rate	(3)	3	(3)	3
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Salary increase rate	7	(6)	6	(6)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(5)	5	(4)	5

16. 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.

17. Finance income

Finance income for the years ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Finance income				
Interest income	89,542	46,418	20,121	6,039
Total	<u>89,542</u>	<u>46,418</u>	<u>20,121</u>	<u>6,039</u>

18. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2023</u>	<u>2022</u>
Salaries and wages and other employee benefits	497,010	394,357
Depreciation and amortisation expenses	161,937	173,678
Direct cost of food and beverage	220,672	142,613
Other direct cost of hotel operations	209,123	119,459
Utilities expenses	157,756	119,367
Management fees	70,546	42,810
Advertising and promotion expenses	57,752	36,782
Maintenance expenses	73,648	43,104

19. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current income tax:				
Current corporate income tax charge	32,371	5,136	-	-
Adjustment in respect of income tax of previous year	(3,000)	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	154,651	584	133,761	7,800
Income tax expenses reported in profit or loss	<u>184,022</u>	<u>5,720</u>	<u>133,761</u>	<u>7,800</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax on gain from the changes in value of investment in equity investments designated at FVOCI	976	(2,558)	-	-
Deferred tax on actuarial gains and losses	(1,131)	1,598	(1,131)	1,598
Total	(155)	(960)	(1,131)	1,598

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Accounting profit (loss) before tax	323,540	(68,173)	672,849	33,383
Applicable tax rate	0, 17, 20%	0, 17, 20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	98,120	(20,557)	134,570	6,677
Adjustment in respect of income tax of previous year	(3,000)	-	-	-
Unrecognised deferred tax assets on temporary differences	76,119	26,894	-	-
Reversal of previous deferred tax asset	16,403	-	-	-
Effects of:				
Exemption of income	(11,808)	(627)	-	-
Non-deductible expenses	4,866	3,591	419	1,330
Additional expense deductions allowed	(1,676)	(1,735)	(1,676)	(1,712)
Others	4,998	(1,846)	448	1,505
Total	(3,620)	(617)	(809)	1,123
Income tax expenses reported in profit or loss	184,022	5,720	133,761	7,800

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 and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Deferred tax assets				
Allowance for expected credit losses of trade receivables	178	587	178	587
Allowance for diminution in value of inventories	172	184	172	184
Unrealised fair value loss on investment	-	13,164	-	-
Provision for long-term employee benefits	18,564	17,614	18,564	17,614
Provisions and other accruals	231	601	231	601
Unused tax losses	38,335	171,124	38,335	171,124
Total	57,480	203,274	57,480	190,110
Deferred tax liabilities				
Undued tax remitted	21,062	12,222	-	-
Total	21,062	12,222	-	-
Net balance	36,418	191,052	57,480	190,110
Presented as				
Deferred tax assets	57,480	203,274	57,480	190,110
Deferred tax liabilities	21,062	12,222	-	-
Total	36,418	191,052	57,480	190,110

As at 31 December 2023, the Group has deductible temporary differences totalling Baht 1,389 million (2022: Baht 1,008 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 38 million which will expire by 2026 (2022: Baht 856 million which will expire by 2025 and 2026, respectively).

20. 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit (loss) for the year (Thousand Baht)	137,986	(80,191)	539,089	25,583
Weighted average number of ordinary shares				
(Thousand shares)	130,000	130,000	130,000	130,000
Profit (loss) per share (Baht per share)	1.06	(0.62)	4.15	0.20

21. 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 2023 and 2022.

(Unit: Million Baht)

	Hotel business											
	Hotel in Bangkok		Hotel in Chiangmai		Holding Investment		Total segments		Adjustments and eliminations		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue												
External customers	1,696	940	461	236	-	-	2,157	1,176	-	-	2,157	1,176
Total revenue	1,696	940	461	236	-	-	2,157	1,176	-	-	2,157	1,176
Operating results												
Segment gross profit	1,152	585	328	143	-	-	1,480	728	-	-	1,480	728
Other income	26	17	3	2	-	6	29	25	-	-	29	25
Depreciation and amortisation expenses	(91)	(99)	(71)	(75)	-	-	(162)	(174)	-	-	(162)	(174)
Exchange gains (losses)	5	(17)	-	-	(36)	(12)	(31)	(29)	-	-	(31)	(29)
Reversal allowance for expected credit losses of trade receivables	2	1	-	-	-	-	2	1	-	-	2	1
Impairment losses on financial assets	-	-	-	-	(270)	(93)	(270)	(93)	-	-	(270)	(93)
Share of losses from investments in associates	-	-	-	-	(110)	(41)	(110)	(41)	-	-	(110)	(41)
Finance income	20	6	-	-	69	40	89	46	-	-	89	46
Profit (loss) before income tax expenses	593	102	80	(69)	(349)	(101)	324	(68)	-	-	324	(68)
Income tax benefits (expenses)	(118)	(21)	(16)	14	(50)	1	(184)	(6)	-	-	(184)	(6)
Profit (loss) for the year	476	81	64	(55)	(400)	(100)	140	(74)	-	-	140	(74)
Segment total assets	5,029	4,398	406	509	2,414	2,902	7,849	7,809	-	-	7,849	7,809

Major customers

For the years 2023 and 2022, the Group have no major customer with revenue of 10 percent or more of an entity's revenue.

22. 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 2023, the Company contributed Baht 13 million (2022: Baht 11 million) to the fund.

23. Commitments and contingent liabilities

23.1 Capital commitments

As at 31 December 2023, the Company had capital commitments of approximately Baht 63 million (2022: Baht 80 million), relating to the construction and renovation of the hotel building and acquisition of equipment.

23.2 Guarantees

- (1) As at 31 December 2023, there were outstanding bank guarantees of approximately Baht 11 million (2022: Baht 11 million) issued by a bank on behalf of the Company in respect of electricity usage.
- (2) As at 31 December 2023, 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. (2022: USD 11.77 million)

24. Financial instruments

24.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, Short-term investments in financial assets - fixed deposits, 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 Short-term investments in financial assets - fixed deposits. 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.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	34	37	-	-	34.2233	34.5624

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	-	15	15	34.2233	34.5624

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 2023 and 2022.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Impact to profit before tax				
THB against USD				
- Increase 5 %	48,899	63,720	(25,791)	(26,050)
- Decrease 5 %	(48,899)	(63,720)	25,791	26,050

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 2023 and 2022, 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 2023						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	1,306	-	-	62	120	1,488	0.00 - 5.61
Short-term investments in financial assets - fixed deposits	1,958	-	-	-	-	1,958	1.25 - 2.30
Trade and other receivables	-	-	-	-	75	75	-
Long-term loans to and interest receivables from related parties	-	-	495	-	247	742	0.92 - 5.50
	3,264	-	495	62	442	4,263	
Financial liabilities							
Trade and other payables	-	-	-	-	223	223	-
	-	-	-	-	223	223	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2022							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	2,585	-	-	85	75	2,745	0.20 - 4.25
Short-term investments in financial assets - fixed deposits	60	-	-	-	-	60	0.60
Trade and other receivables	-	-	-	-	89	89	-
Long-term loans to and interest receivables from related parties	-	-	795	-	243	1,038	0.92 - 2.05
	2,646	-	795	85	407	3,933	
Financial liabilities							
Trade and other payables	-	-	-	-	192	192	-
	-	-	-	-	192	192	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2023							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	85	-	-	62	51	198	0.35 - 2.05
Short-term investments in financial assets - fixed deposits	1,830	-	-	-	-	1,830	1.25 - 2.30
Trade and other receivables	-	-	-	-	68	68	-
	1,915	-	-	62	119	2,096	
Financial liabilities							
Trade and other payables	-	-	-	-	221	221	-
Short-term loan from related party	-	-	-	-	516	516	-
	-	-	-	-	737	737	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2022							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	1,140	-	-	85	22	1,247	0.20 - 0.85
Short-term investments in financial assets - fixed deposits	60	-	-	-	-	60	0.60
Trade and other receivables	-	-	-	-	75	75	-
	1,200	-	-	85	97	1,382	
Financial liabilities							
Trade and other payables	-	-	-	-	191	191	-
Short-term loan from related party	-	-	-	-	521	521	-
	-	-	-	-	712	712	

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 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2023				
	On demand	Less than 1 year	1-5 years	Over 5 years	Total
Non-derivatives					
Trade and other payables	-	223	-	-	223
Total non-derivatives	-	223	-	-	223

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2023				
	On demand	Less than 1 year	1-5 years	Over 5 years	Total
Non-derivatives					
Trade and other payables	-	221	-	-	221
Short-term loans from related party	516	-	-	-	516
Total non-derivatives	516	221	-	-	737

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1-5 years	Over 5 years	Total
Non-derivatives					
Trade and other payables	-	192	-	-	192
Total non-derivatives	-	192	-	-	192

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1-5 years	Over 5 years	Total
Non-derivatives					
Trade and other payables	-	191	-	-	191
Short-term loans from related party	521	-	-	-	521
Total non-derivatives	521	191	-	-	712

24.2 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.

25. 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 2023, the Group's debt-to-equity ratio was 0.08:1 (2022: 0.07:1) and the Company's was 0.18:1 (2022: 0.20:1).

26. Events after the reporting period

On 19 February 2024, the Company's Board of Directors' meeting passed a resolution approving the dividend payment for 2023 of Baht 1.00 per share, a total of approximately Baht 130 million. However, this resolution will be further proposed for the shareholders' approval in the Annual General Meeting of the shareholders for the year 2024.

27. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2024.

Attachment 1

Information of Directors, Executives, the Person assigned to take the highest responsibility in Accounting and Finance and Company Secretary

Board of Directors

Name of Director	Age (Years)	% of shareholding in the Company**	Family relationship between Director and Management	Education /Training	Current position in other company	Skill and Expertise
					Period, Position and Company	
1. Mr. Maris Pakdeetaveevivat Vice Chairman and Managing Director	80	-	None	- Technical College, Hong Kong	- Nov 1991-Present Director Kerry Trading Company Limited - Sep 2008 - Present Director Kerry Mining (Hong Kong) Limited	- Engineering - Leadership - Governance/ Compliance
2. Mr. Wu Hoi Fai Alfred Director	63	-	None	- Master of Science in Financial Economics, University of London - Master of Practising Accounting, Monash University	- Jan 2001-Apr 2019 Treasurer Shangri-La Asia Limited - May 2019-Dec 2022 Vice President, Corporate Finance Shangri-La Asia Limited - Jan 2023-Present Vice President, Corporate Finance & Treasury Shangri-La Asia Limited	- Finance & Securities - Accounting - Finance - Fund Management
3. Mrs. Chanida Asdathorn Director	83	0.23%	Sister-in-law to Mr. Surin Asdathorn and Aunt-in-law to Mr. Nutthapol Asadathorn	- Bachelor's Degree in Business Administration, Pasadena College, California, USA - Directors Accreditation Program (DAP) (March 2006), Thai Institute of Directors Association	- Present Managing Director Thai Roong Ruang Industry Co., Ltd. - 1979-Present Director The Choburi Sugar & Trading Corp., Ltd. - 1984-Present Managing Director Siam Sugar Export Corporation Limited - 1989-Present Director Kerry Flour Mills Limited - 1990-Present Director Kerry Siam Seaport Limited - 2000-Present Director Thai Ruam Charoen Sugar (2000) Co., Ltd.	- Economics - Agribusiness - Food & Beverage - Banking - Property Fund & REITs - Commerce - Health Care Services - Tourism & Leisure - Transportation & Logistics - Marketing - Finance - Corporate Social Responsibility - Sustainability - Procurement - Data Analysis

Board of Directors (Continued)

Name of Director	Age (Years)	% of shareholding in the Company**	Family relationship between Director and Management	Education/Training	Current position in other company	Skill and Expertise
					Period, Position and Company	
					<ul style="list-style-type: none"> - 2015-Present Managing Director TRR Molasses Trading Co., Ltd. - 1988-Jul 2017 and Dec 2018 - Present Director Fine Metal Technologies Public Company Limited - Aug 2017-Nov 2018 Chairman of the Board of Directors Fine Metal Technologies Public Company Limited 	<ul style="list-style-type: none"> - Negotiation - Change Management - Leadership - Strategic Management - Risk Management
4. Mr. Surin Asdathorn Director	82	2.67%	Brother-in-law to Mrs. Chanida Asdathorn and Uncle to Mr. Nutthapol Asdathorn	- Bachelor of Art Degree in Political Science, Ramkhamhaeng University	- Present Chief Executive Officer Thai Roong Ruang Sugar Group	<ul style="list-style-type: none"> - Agribusiness - Food & Beverage - Industrial Materials & Machinery - Steel - Construction Materials - Energy & Utilities - Transportation & Logistics - Corporate Social Responsibility - Human Resource Management - Leadership
5. Mr. Nutthapol Asdathorn Director	58	0.36%	Nephew to Mr. Surin Asdathorn and Mrs. Chanida Asdathorn	<ul style="list-style-type: none"> - Bachelor's Degree (2nd Class Honours), Faculty of Industrial Engineering, Chulalongkorn University - M. Eng (Operations Reserch & Industrial Engineering), Cornell University, Ithaca, New York, USA 	<ul style="list-style-type: none"> - 1997-2020 Managing Director Baanrai Sugar Industry Co., Ltd. - 1997-Present Director The Thai Sugar Producers Association - Present Director Thai Roong Ruang Industry Co., Ltd. 	<ul style="list-style-type: none"> - Economics - Agribusiness - Energy & Utilities - Finance - IT Management - Data Analysis - Statistics - Project Management - Corporate Management - Engineering

Board of Directors (Continued)

Name of Director	Age (Years)	% of shareholding in the Company**	Family relationship between Director and Management	Education / Training	Current position in other company	Skill and Expertise
					Period, Position and Company	
				<ul style="list-style-type: none"> - Ph.D. (Industrial Engineering), New Jersey Institute of Technology, Newark, New Jersey, USA 	<ul style="list-style-type: none"> - 2001-Present Director Thai Sugar Millers Co., Ltd. - 2001-Present Director Charoenviang 2001 Co., Ltd. 	<ul style="list-style-type: none"> - Leadership - Strategic Management
6. Mrs. Pavinee Meensuk Director	66	-	None	<ul style="list-style-type: none"> - Bachelor's Degree in Accounting, Thammasat University - Bachelor's Degree in Law, Thammasat University - Directors Accreditation Program (DAP) (December 2004), Thai Institute of Directors Association 	<ul style="list-style-type: none"> - 1990-Present Director Kerry Siam Seaport Limited - 2005-Present General Manager Kerry (Thailand) Co., Ltd. 	<ul style="list-style-type: none"> - Transportation & Logistics - Law - Accounting - Finance - Human Resource Management - Data Analysis - Corporate Management - Change Management - Budgeting
7. Mr. Kovit Poshyananda Independent Director and Chairman of Audit Committee	89	-	None	<ul style="list-style-type: none"> - B.A. (Honours), Cambridge University - M.A. (Economics), Cornell University - Ph.D. (Economics), Cornell University - Doctor of Philosophy (honoris causa), Chulalongkorn University - Directors Accreditation Program (DAP) (2003), Thai Institute of Directors Association 	<ul style="list-style-type: none"> - Present Honorary Chairman Sansiri Public Company Limited 	<ul style="list-style-type: none"> - Economics - Banking - Finance & Securities - Property Development - Finance - Data Analysis - Statistics - Governance/ Compliance
8. Mr. Jayavadh Bunnag Independent Director and Member of Audit Committee	80	-	None	<ul style="list-style-type: none"> - LL.B., Chulalongkorn University - LL.M., Harvard Law School - Fellow of the Chartered Institute of Arbitrators (U.K.), Chartered Arbitrator 	<ul style="list-style-type: none"> - 1987 - Present Managing Director ILCT Ltd. 	<ul style="list-style-type: none"> - Law - Governance/ Compliance

Board of Directors (Continued)

Name of Director	Age (Years)	% of shareholding in the Company**	Family relationship between Director and Management	Education / Training	Current position in other company	Skill and Expertise
					Period, Position and Company	
				<ul style="list-style-type: none"> - Adjunct Professor of Commercial Law, Thammasat University - Directors Accreditation Program (DAP) (2006), Thai Institute of Directors Association 		
9. Mr. Kledchai Benjaathonsirikul Independent Director and Member of Audit Committee	69	0.001%	None	<ul style="list-style-type: none"> - Bachelor's Degree in Law, University of Birmingham, England - Directors Accreditation Program (DAP) (May 2006), Thai Institute of Directors Association 	<ul style="list-style-type: none"> - 2000-Present Director Kerry Siam Seaport Limited - 2019-Present Chairman Kerry Express (Thailand) Public Company Limited 	<ul style="list-style-type: none"> - Transportation & Logistics - Law - Leadership - Strategic Management - Risk Management - Audit - Internal Control - Budgeting - Governance/ Compliance
10. Mr. Supot Singhasaneh Independent Director and Member of Audit Committee	75	-	None	<ul style="list-style-type: none"> - Bachelor's Degree in Accounting Thammasat University - Master of Finance, University of Michigan, USA - Certified Public Accountant - Ph.D. (Hon.) in Accounting Thammasat University - Ph.D. (Hon.) of Arts in Accounting Sripatum University - ASEAN Chartered Professional Accountant-Registration No. 000048 - Director Certification Program, Class 90/2007, 	<ul style="list-style-type: none"> - 2018-Present Chairman of the Audit Committee TPI Polene Public Company Limited - 2019-Present Chairman of the Board of Directors and Chairman of the Audit Committee Saksiam Leasing Public Company Limited - 2018-Present Chairman of the Board of Directors and Chairman of the Audit Committee Samart Aviation Solutions Public Company Limited - 2017-Present Chairman of the Audit Committee Social Security Fund - 2018-Present Member of the Audit Committee Thammasat University 	<ul style="list-style-type: none"> - Accounting - Finance

Board of Directors (Continued)

Name of Director	Age (Years)	% of shareholding in the Company**	Family relationship between Director and Management	Education / Training	Current position in other company	Skill and Expertise
					Period, Position and Company	
				Thai Institute of Directors Association - Role of the Chairman Program, Class 18/2008, Thai Institute of Directors Association - Successful Formulation & Execution of Strategy Program Class 4/2009, Thai Institute of Directors Association	- 2020-Aug 2023 Director and Secretary General Thailand Federation of Accounting Professions Under The Royal Patronage of His Majesty The King - 2022-Present Appointed Member of Krirk University Council KRIRK University - Nov 2023-Present Audit Committee Office for National Education Standards and Quality Assessment (Public Organization)	

Remarks : ** Including the shareholding of the spouse and minor children.

Executives

– Shangri-La Hotel, Bangkok

Name	Age (Years)	% of shareholding in the Company**	Family relationship between Director and Management	Education Background	Working Experience	Skill and Expertise
					Position and Company name	
1. Mrs. Yue Toy Hang General Manager	60	-	-	- Diploma of Civil Engineering, Federal Institute of Technology, Malaysia	- Nov 2011 – Aug 2015 General Manager Shangri-La Rasa Sayang Resort & Spa, Penang - Sep 2015-Oct 2021 General Manager Shangri-La Rasa Sayang Resort & Spa, Penang & Golden Sands Resort, Penang	- Tourism & Leisure - Finance - Corporate Social Responsibility - Human Resource Management - Sustainability - Procurement - Fund Management - Data Management - Data Analysis - Negotiation - Corporate Management - Change Management - Leadership - Strategic Management - Risk Management - Audit - Internal Control - Budgeting - Governance/ Compliance
2. Mr. Golden Wessel Whitehead Resident Manager	46	-	-	- Certificate in Financial Management Cornell University - Master in Hospitality Management Cornel University	- Jul 2017-May 2019 Vice President Food and Beverage-Pan Pacific Hotels Group Head Office Singapore - May 2019-May 2022 Regional General Manager QLD & WA-MINOR Hotels Head Office, Australia - Jun 2022-Apr 2023 Executive Assistant Manager i/c Food & Beverage Shangri-La Hotel, Bangkok	- Food & Beverage - Tourism & Leisure - Finance - Corporate Social Responsibility - Sustainability - Procurement - Fund Management - IT Management - Data Management - Data Analysis

Executives (Continued)

– Shangri-La Hotel, Bangkok (Continued)

Name	Age (Years)	% of shareholding in the Company**	Family relationship between Director and Management	Education Background	Working Experience	Skill and Expertise
					Position and Company name	
						<ul style="list-style-type: none"> - Negotiation - Corporate Management - Change Management - Leadership - Strategic Management - Risk Management - Audit - Internal Control - Budgeting - Governance/ Compliance
3. Ms. Nipa Smanote Area Financial Controller (The person who has been assigned the responsibility in the Company's accounting and finance department)	65	-	-	- Bachelor's Degree in Accounting, University of The Thai Chamber of Commerce, Thailand	- Jun 2005-May 2012 Financial Controller Shangri-La Bangkok, Thailand	<ul style="list-style-type: none"> - Finance & Securities - Tourism & Leisure - Marketing - Accounting - Finance - Corporate Social Responsibility - Human Resource Management - Sustainability - Procurement - Fund Management - Data Management - Data Analysis - Negotiation - Corporate Management - Change Management - Leadership - Strategic Management - Risk Management - Audit

Executives (Continued)

– Shangri-La Hotel, Bangkok (Continued)

Name	Age (Years)	% of shareholding in the Company**	Family relationship between Director and Management	Education Background	Working Experience	Skill and Expertise
					Position and Company name	
						<ul style="list-style-type: none"> - Internal Control - Budgeting - Governance/ Compliance
4. Mr. Keith Santosh Rajan Executive Assistant Manager i/c Food & Beverage	45	-	-	- Bachelor of Business Administration, University of Madras, India	<ul style="list-style-type: none"> - Nov 2018-Dec 2020 Executive Assistant Manager Shangri-La Hotel, Colombo, Sri Lanka - Jan 2021-Aug 2021 Pre-opening & opening support Hospitality Consultant, Bangalore, India - Sep 2021-Sep 2022 Executive Assistant Manager The St. Regis, Mumbai, India - Sep 2022-May 2023 Hotel Manager Four Seasons Hotel, Mumbai, India 	<ul style="list-style-type: none"> - Food & Beverage - Tourism & Leisure - Marketing - Finance - Corporate Social Responsibility - Human Resource Management - Sustainability - Procurement - Digital Marketing - Brand Management - Negotiation - Change Management - Leadership - Strategic Management - Risk Management - Audit - Internal Control - Budgeting - Governance/ Compliance
5. Mr. Almario Villanueva Mungcal Director of Commercial Marketing	47	-	-	- Bachelor of Mass Communications, University of the Philippines	<ul style="list-style-type: none"> - Feb 2018-Feb 2020 Director of Online & Marketing Communications Le Méridien Phuket Beach Resort - Jun 2021-Feb 2023 Director of Marketing Communications (Digital & Field) W Koh Samui 	<ul style="list-style-type: none"> - Economics - Commerce - Media & Publishing - Tourism & Leisure - Information & Communication - Technology - Marketing

Executives (Continued)

- Shangri-La Hotel, Bangkok (Continued)

Name	Age (Years)	% of shareholding in the Company**	Family relationship between Director and Management	Education Background	Working Experience	Skill and Expertise
					Position and Company name	
						<ul style="list-style-type: none"> - Corporate Social Responsibility - Sustainability - Data Analysis - Digital Marketing - Brand Management - Negotiation - Corporate Management - Change Management - Leadership - Strategic Management - Risk Management - Audit - Internal Control - Budgeting - Governance/ Compliance
6. Ms. Puey Kee Lim Director of Commercial Sales	47	-	-	- Diploma in Secretarial Educational, Rima College, Malaysia	- Apr 2015-Jun 2022 Director of Sales Director of Events Management Shangri-La Hotel, Bangkok, Thailand	<ul style="list-style-type: none"> - Tourism & Leisure - Marketing - Finance - Corporate Social Responsibility - Data Analysis - Digital Marketing - Change Management - Leadership - Strategic Management - Risk Management - Audit - Internal Control - Budgeting - Governance/ Compliance-

Executives (Continued)

- Shangri-La Hotel, Bangkok (Continued)

Name	Age (Years)	% of shareholding in the Company**	Family relationship between Director and Management	Education Background	Working Experience	Skill and Expertise
					Position and Company name	
7. Mr. Chee Hoong Lee Director of Engineering	65	-	-	<ul style="list-style-type: none"> - Bachelor of Engineering (Electrical), University of Canterbury, New Zealand - Master of Business Administrative, University of Otago, New Zealand 	<ul style="list-style-type: none"> - Aug 2014-Aug 2017 Cluster Chief Engineer The Mulia, Mulia Resort & Villas, Bali, Indonesia - May 2019-Mar 2020 Director of Engineering - Projects Shangri-La Hotel, Kowloon, Hong Kong - Jun-Nov 2020 Director, Facilities - MEP Systems and Landscape, Marina Bay Sands Resort, Singapore 	<ul style="list-style-type: none"> - Energy & Utilities - Tourism & Leisure - Corporate Social Responsibility - Project Management - Engineering - Architecture - Design - Change Management - Leadership - Strategic Management - Risk Management - Audit - Internal Control - Budgeting - Governance/ Compliance
8. Mrs. Patchanee Phuritatt Director of Human Resources	43	-	-	<ul style="list-style-type: none"> - Bachelor of Arts, Kasetsart University 	<ul style="list-style-type: none"> - Oct 2015-Jul 2018 Training Manager/Senior Training Manager, Shangri-La Hotel, Bangkok - Aug 2018-Jul 2023 Assistant to Director of Human Resources Shangri-La Hotel, Bangkok 	<ul style="list-style-type: none"> - Tourism & Leisure - Corporate Social Responsibility - Human Resource Management - Sustainability - Change Management - Leadership - Strategic Management - Risk Management - Audit - Internal Control - Budgeting - Governance/ Compliance

Executives (Continued)

– Shangri-La Hotel, Bangkok (Continued)

Name	Age (Years)	% of shareholding in the Company**	Family relationship between Director and Management	Education Background	Working Experience	Skill and Expertise
					Position and Company name	
9. Mr. Phillip Trevor Taylor Executive Chef	38	-	-	- Commercial Cookery Level 3, William Angliss Institute, Melbourne	- Jun 2017-Jan 2019 Executive Sous Chef Shangri-La Bangkok, Thailand - Jan 2019-Mar 2022 Executive Chef Four Seasons Resort Jimbaran & Sayan, Bali, Indonesia	- Food & Beverage - Tourism & Leisure - Corporate Social Responsibility - Change Management - Leadership - Strategic Management - Risk Management - Audit - Internal Control - Budgeting - Governance/ Compliance
10. Mr. Jeremiah Timothy Stefan Director of Revenue Optimization	42	-	-	- Bachelor of Economics, Wijaya Putra University, Surabaya	- Nov 2018-Feb 2021 Director of Revenue Strategy The Westin Kuala Lumpur - Mar 2021-Apr 2022 Cluster Director of Revenue Strategy Marriott International, Kuala Lumpur - May-Dec 2022 Marketing Director of Revenue Strategy Marriott International, Kuala Lumpur	- Tourism & Leisure - Information & Communication Technology - Finance - Corporate Social Responsibility - IT Management - Data Analysis - Statistics - Digital Marketing - Brand Management - Change Management - Leadership - Strategic Management - Risk Management - Audit - Internal Control - Budgeting - Governance/ Compliance

Remarks : ** Including the shareholding of the spouse and minor children.

Executives (Continued)

- Shangri-La Hotel, Chiang Mai

Name	Age (Years)	% of shareholding in the Company**	Family relationship between Director and Management	Education Background	Working Experience	Skill and Expertise
					Position and Company name	
1. Mr. Gabriele Lombardo General Manager	52	-	-	- Bachelor Degree in Hospitality Sciences, Ecole Hoteliere de Lausanne, Switzerland	<ul style="list-style-type: none"> - Oct 2014-Jan 2015 Secondment to Shangri-La's Villingli Resort & Spa, Maldives as Stand-in General Manager Shangri-La's Villingli Resort & Spa, Maldives - Jan 2015-May 2015 Secondment to Corporate Office on special Project assignment Shangri-La International Hotel Management Limited - May 2015-Feb 2017 General Manager Shangri-La's Le Touessrok Resort & Spa, Mauritius 	<ul style="list-style-type: none"> - Economics - Food & Beverage - Fashion - Home & Office Products - Automotive - Tourism & Leisure - Marketing - Corporate Social Responsibility - Human Resource Management - Sustainability - Digital Marketing - Project Management - Corporate Management - Design - Change Management - Leadership - Strategic Management - Risk Management - Audit - Internal Control - Budgeting - Governance/ Compliance
2. Ms. Wiyada Sornprapha Director of Sales and Marketing	55	-	-	- Master of Business Administration - Marketing, University of New Haven, United States of America	<ul style="list-style-type: none"> - Dec 2011-Jun 2013 Director of Conventions & Incentive Sales Thailand Shangri La Hotel, Bangkok, Thailand - Jul 2013-Dec 2013 Director of Sales Shangri La Hotel, Chiang Mai, Thailand 	<ul style="list-style-type: none"> - Commerce - Professional Services - Tourism & Leisure - Marketing - Data Analysis - Digital Marketing - Brand Management

Executives (Continued)

- Shangri-La Hotel, Chiang Mai (Continued)

Name	Age (Years)	% of shareholding in the Company**	Family relationship between Director and Management	Education Background	Working Experience	Skill and Expertise
					Position and Company name	
						<ul style="list-style-type: none"> - Negotiation - Project Management - Corporate Management - Leadership - Strategic Management - Budgeting
3. Mr. Songkran Tiranon Financial Controller	43	-	-	- Bachelor of Accounting, Thonburi University	<ul style="list-style-type: none"> - Nov 2014-Dec 2019 Chief Accountant Shangri-La Hotel, Chiang Mai - Dec 2019-Jun 2023 Asst. Financial Controller Shangri-La Hotel, Chiang Mai 	<ul style="list-style-type: none"> - Economics - Banking - Finance & Securities - Insurance - Commerce - Accounting - Finance - Procurement - Leadership - Strategic Management - Audit - Internal Control - Budgeting - Governance/ Compliance
4. Ms. Sukanya Jittanan Director of Human Resources	47	-	-	- Bachelor of Laws Chiang Mai University	<ul style="list-style-type: none"> - Apr 2011-Jan 2016 Human Resources Manager Four Seasons Resort, Chiang Mai, Thailand - Jan 2016-Jun 2019 Director of Human Resources Park Hyatt, Bangkok, Thailand 	<ul style="list-style-type: none"> - Home & Office Products - Tourism & Leisure - Law - Corporate Social Responsibility - Human Resource Management - Sustainability - Data Management - Leadership - Strategic Management - Budgeting - Governance/ Compliance

Executives (Continued)

– Shangri-La Hotel, Chiang Mai (Continued)

Name	Age (Years)	% of shareholding in the Company**	Family relationship between Director and Management	Education Background	Working Experience	Skill and Expertise
					Position and Company name	
5. Mr. Ezani Bin Amir Director of Food and Beverage	47	-	-	- High School	- Apr 2018 – Aug 2021 Director of Food and Beverage The Merchant House – Campbell Gray Hotel, Manama, Bahrain - Jan 2022-Jun 2023 Director of Food and Beverage/Culinary Hotel Jen Penang	- Food & Beverage - Sustainability - Leadership - Strategic Management - Budgeting
6. Mr. Guillaume Comparat Executive Chef	44	-	-	- Bachelor's Degree in Culinary Arts and Hospitality Management	- Jan 2018-Jul 2019 Executive Chef, Golden Tulip Rainbow Hotel, Shanghai, China - Jul 2019-Oct 2023 Self Employment – GC Consultant, China	- Food & Beverage - Sustainability - Leadership - Strategic Management - Budgeting
7. Mr. Chalerm Proka Chief Engineer	56	-	-	- Bachelor of Engineering, Rajamangala University of Technology	- Mar 2015-Aug 2017 Chief Engineer Anantara Resort, Chiang Mai, Thailand - Aug 2017-Nov 2019 Chief Engineer 137 Pillar House, Chiang Mai, Thailand	- Industrial Materials & Machinery - Construction Materials - Energy & Utilities - Engineering - Architecture - Leadership

Remarks : ** Including the shareholding of the spouse and minor children.

Company Secretary

Name	Age (Years)	% of shareholding in the Company**	Family relationship between Director and Management	Education Background	Working Experience
					Position and Company name
Ms. Nongthanus Tansavatdi	48	-	-	<ul style="list-style-type: none"> - Bachelor of Law Chulalongkorn University - Master of Science Human Resources Management Chapman University, USA - Master of Comparative Law Indiana University, Bloomington, USA - Master of Law (LLM) Indiana University, Bloomington, USA 	<ul style="list-style-type: none"> - Apr 2015-Jan 2020 Vice President Head of Contracts and Commercial Department Total Access Communication Public Company Limited

Remarks : ** Including the shareholding of the spouse and minor children.

Attachment 2

Details of the directors of Subsidiaries

Directorship of the Board of Director in Subsidiaries and Associated Companies

Name of Director	Company	Subsidiaries Companies						Associated Companies		
		Town Development Co., Ltd.	Apizaco Limited	Zukerman Limited	Hasfield Holdings Pte Ltd	Traders Hotel and Resort Limited	TRR-Kerry Development Co., Ltd.	Traders Yangon Company Limited	Shangri-La Yangon Company Limited	Traders Square Company Limited
1. Mr. Maris Pakdeetaveevivat	/	/	/		/	/	/			
2. Mr. Wu Hoi Fai Alfred	/				/			/	/	/
3. Mrs. Chanida Asdathorn	/	/				/	/			
4. Mr. Surin Asdathorn	/						/			
5. Mr. Nutthapol Asadathorn	/									
6. Mrs. Pavinee Meensuk	/	/				/	/			
7. Mr. Kovit Poshyananda	/									
8. Mr. Jayavadh Bunnag	/									
9. Mr. Kledchai Benjaathonsirikul	/									
10. Mr. Supot Singhasaneh	/									

Remarks : / = Director

X = Chairman

Attachment 3

Details of the Internal Audit and Compliance Units

Name	Age (Years)	% of shareholding in the Company	Family relationship between Director and Management	Education History	Working Experience		Attending Internal Audit training program
					Period	Company and Position	
Ms. Pastharea Theerajittiwong (Internal Audit Manager)	30	-	-	- Bachelor of Accounting, Thammasat University	- May 2015~Jun 2018 - Sep 2018~Jan 2022	- Senior Assurance EY Company Limited - Corporate Account Supervisor Shangri-La Hotel Public Company Limited	-

According to the Licence Agreement (previously known as a Management Agreement) between the Company and Shangri-La International Hotel Management Pte. Ltd. (SLIM SG), SLIM SG has an established framework of procedures and internal controls which the management of each operating business unit is required to comply. In addition, SLIM SG is responsible for reviewing and providing assurance of the effectiveness, adequacy and integrity of Shangri-La Group's system of risk and control management, compliance with Shangri-La Group policies and procedures, and recommends improvements. The Company appoint its Internal Audit Manager to follow up results of Internal Audit report, cooperate with SLIM SG and local operation team in conducting the internal control and directly report to the Audit Committees to ensure its independence.

The Company does not have the Head of the Compliance Unit; however, the Board of Directors has assigned the Company Secretary to give advice on rules, regulations, laws, and regulations related to the company's business. The Secretary also has duties to supervise and coordinate the activities of the Board of Directors and Executives to comply with the resolutions of the Board of Directors and shareholders' resolutions and to ensure that the disclosure of financial reports, important information, and other information that may affect the decision of investors and shareholders is accurate, complete, and in a timely manner as required by law and in accordance with the criteria set by the Stock Exchange of Thailand and the SEC Office. There is also a General Manager to supervise the administration in accordance with the policies received from the Board in order to achieve the Company's objectives



Attachment 4

Assets Used in Business Operations and Detail of Asset Appraisal

– Assets Used in Business Operations

The Company has assets used in business operations as per details appeared in this report under the section “Assets Used in Business Operations”.

– Asset Appraisal

None

Attachment 5

Unabridged policy and Guidelines on Corporate Governance and Unabridged Code of Business Conduct prepared by the Company

CORPORATE GOVERNANCE POLICY

The Company firmly recognizes and upholds the importance of good corporate governance principles, with the conviction that the compliance with good corporate governance principles will ensure the success and achievement of the Company's objectives, resulting in long-term sustainable growth of the Company. In addition, good corporate governance will create confidence among investors, financial institutions, business partners, and all stakeholders. The Board of Directors has, therefore, considered implementing the Principle of Good Corporate Governance for Listed Companies 2017 or the Corporate Governance Code (CG Code) issued by the Office of Securities and Exchange Commission (SEC), by considering and realizing its role as a leader of the organization (Governing Board) as well as deliberately contemplating and acknowledging the advantage and significance of CG Code compliance, which focuses on the integration and corporate governance used to create value for the business for sustainable development. The appropriate definition of structure, qualification, and scope of authority of the Board of Directors will benefit the operational efficiency. Likewise, the person to be appointed as a director of the Company shall have knowledge, ability, experience, vision, and honesty as well as devote time to the Company in order to fully perform as a director of the Company, and have an independence towards decision making for the best interests of the Company and its shareholders as a whole.

Scope of Responsibility of the Board of Directors

The Board of Directors is responsible for the operation of the Company as well as directing the Company's conduct in compliance with the objectives and guidelines to maintain the highest interests of the Company with fairness to all stakeholders. The Board of Directors shall also direct the Company's operation in compliance with the laws, objectives, Articles of Association, resolutions of the Board of Directors' Meeting and resolutions of Shareholders' Meetings in good faith and with care, prudence, integrity, and be consistently responsible to shareholders. The Board of Directors also has the following duties:

Take responsibility as the leaders who sustainably bring value to the Company's business

1. Directing the Company's visions, missions, and business strategies, and operational policies as well as allocating key resources to achieve the objectives and goals of the Company's business operations, creating value for the entire Company, customers, stakeholders, and society as a whole in a sustainable manner.
2. Following up and supervising the results of operations to be reported to the Board of Directors on a regular basis as well as evaluating and improving the efficiency of business operations.

3. Overseeing good corporate governance policy and Code of Conducts and Ethics including ensuring communication with all directors, executives, and employees for their acknowledgment, understanding, and practical implementation, as well as monitoring performance and regularly reviewing policies and practices.

4. Overseeing to ascertain the directors and executives performing their duties with responsibility, caution, and honesty to the organization as well as ensuring that the operation is performed in accordance with the laws, regulations, and resolutions of the shareholders' meetings.

5. Establishing a process for approving important operations such as investments and other important matters which have high risks and impact the Company.

Defining key objectives and business goals that promote sustainable value creation

6. Directing or ensuring the Company's objectives and goals can create value to the Company, stakeholders, and society as a whole, taking into account the environment and changes on various factors as well as opportunities and acceptable risks, needs of customers and stakeholders, readiness, expertise, competitiveness of the business including the appropriate use of innovation and technology.

7. Overseeing to ascertain the transmission of objectives and goals through strategies and plans across the organization, ensuring appropriate resource allocation and operational control as well as monitoring the implementation of strategies and annual plans.

Strengthening Board effectiveness

8. Defining and reviewing the structure of the Board of Directors, number of directors, proportion of independent directors as well as Board diversity and director qualifications, including knowledge, expertise, experience, specializations, gender, and age to align with the Company's business operations and achieve the objectives and main goals of the organization; and appointing the chairman and members of sub-committees to assist and support the Board's discharge of duties.

9. Selecting and nominating a person suitable to be a director; and ensuring that the composition and operation of the Board facilitate independent decision-making.

10. Overseeing the selection and nomination process of a director to ensure that it is carried out transparently and the remunerations for directors and Sub-committee members are determined appropriately and in line with their responsibilities to provide both short-term and long-term incentives.

11. Devoting sufficient time to perform their duties, attending all meetings of the Board of Directors and Shareholders' Meetings, except in unavoidable circumstances. The directors who are unable to attend a meeting must notify the Chairman or the Company Secretary in advance of the meeting.

12. Developing their knowledge and competency related to their duties through courses or curricula related to directorial duties or seminars that enhance their knowledge; and ensuring the newly appointed directors receive advice and useful information for performing their duties.

13. Overseeing to ascertain a framework and mechanism to oversee and monitor the policies and operations of subsidiaries and other businesses in which the Company has significantly invested appropriately for each business, including the appointment of persons to be directors, executives, or authorized persons.

Nominating executives and developing their skills and knowledge and managing the Company personnel

14. Overseeing to ascertain the nomination of managing director and executive management and providing development and training for managing director and executive management to have knowledge, skills, experiences and qualifications necessary for the work; and ensuring the effective performance assessment of top executives on an annual basis as well as determining appropriate remuneration in line with their responsibilities and operating results to provide both short-term and long-term incentives.

15. Overseeing and monitoring the management and development of personnel to have appropriate quantity, knowledge, skills, experience, motivation, and fair treatment; and encouraging employees to have knowledge and understanding of money management, investment suitable to the age, and risk level as well as ensuring the provident funds or other mechanisms are established to ascertain that employees have sufficient savings for retirement.

Promoting innovation and business responsibility

16. Overseeing and supporting the creation of innovations causing value for the Company along with benefits for all stakeholders based on ethics; and being responsible for the society and environment as well as ensuring the efficient and effective management and allocation of resources in order to sustainably achieve the objectives and main goals.

17. Overseeing and monitoring IT management to be in line with the business needs; and increasing business opportunities as well as having the implementation of the IT security system, taking into account the risks involved.

Monitoring the implementation of effective risk management and internal control systems

18. Overseeing to ensure effective risk management systems pursuant to internal control of Shangri-La Group together with reviewing and assessing the systems periodically and in the wake of a change in risk levels.

19. Establishing the Audit Committee that can perform their duty effectively, which consists of not less than three directors all of whom are independent directors; and providing mechanisms or tools that allow the Audit Committee to access information necessary for their operation.

20. Selecting an independent person or internal audit office to be responsible for developing and reviewing the efficiency of risk management and internal control systems as well as reporting to the Audit Committee and disclosing the review report in the annual report.

21. Monitoring and managing any potential conflicts of interest between the Company, the Management, the Board of Directors, or shareholders as well as ensuring that there are guidelines and procedures ascertaining

such processes are in accordance with the procedures and disclosures required by law, and that they are mainly for the benefit of the Company and shareholders as a whole without stakeholders' participation in decision-making; and overseeing the prevention of the inappropriate use of the Company's assets and information as well as preventing inappropriate transactions with related parties.

22. Encouraging staff at all levels to be conscious of ethics and morality and to comply with the Code of Conduct; providing anti-corruption guidelines as well as supporting activities that promote and instill in all employees to comply with the applicable laws and regulations.

23. Overseeing and monitoring to ensure that there are mechanisms and channels that are convenient for receiving complaints, management processes (recording, auditing, tracking progress, resolving problems, reporting), and appropriate protection measures for whistleblowers.

Maintaining accountability of disclosure of information and financial integrity

24. Overseeing and monitoring to ensure that the preparation of financial statements and disclosure of material information are accurate, sufficient, and timely and are in compliance with the relevant regulations, standards, and guidelines.

25. Overseeing and monitoring the Company's liquidity and debt service coverage together with emergency plans and mechanisms in case of problems arising.

26. Ensuring an annual sustainability report is prepared in accordance with the international reporting framework.

27. Ensuring the establishment of a dedicated function responsible for regular, effective, and fair communication with shareholders and other stakeholders (such as analysts and potential investors).

28. Encouraging the current, accurate, and timely disclosure of information in both Thai and English.

Ensuring engagement and communication with shareholders

29. Ensuring that shareholders have the opportunity to participate effectively in decision-making involving the Company's significant matters, and that the shareholders' meetings are held as scheduled, and conducted properly, with transparency and efficiency as well as ascertaining inclusive and equitable treatment of all shareholders and their ability to exercise their rights as appropriate; and ensuring accurate, timely and complete disclosure of shareholder resolutions and preparation of the minutes of the shareholders' meetings.

Role and Responsibilities of the Chairman of the Board of Directors

The Chairman of the Board of Directors has the following roles and responsibilities:

1. Setting Board meeting agenda in consultation with the managing director and ensuring that Board members receive accurate, complete, timely, and clear information prior to the meeting to assist in their decision making process.
2. Leading and directing the Board of Directors and chairs meetings of the Board.

2.1 Conducting a Board meeting according to the agendas, the Company's Articles of Association, and applicable laws.

2.2 Encouraging and allocating sufficient time to each Board member to discuss and express their free and frank opinion with due circumspection and concern for all stakeholders.

2.3 Summing up the Board meeting resolutions and the actions to take clearly.

2.4 Setting up a Board meeting without the presence of the Executive Director.

3. Chairing meetings of shareholders according to the agendas, the Company's Articles of Association, and applicable laws by allocating time appropriately along with providing opportunities for shareholders to express their opinions equitably and ensuring that shareholders' inquiries are responded to appropriately and transparently.

4. Supporting and being a role model in compliance with the principles of good corporate governance and the Company's Code of Conduct.

5. Fostering a positive working relationship between the Board of Directors and the Management and supports the performance of the duties of the managing director and the Management in accordance with the Company's policy.

6. Overseeing to ensure the transparent disclosure of information and management in the event of conflicts of interest.

7. Overseeing to ensure the Board of Directors has appropriate structure and composition.

8. Overseeing that the Board of Directors as a whole, Sub-committee members, and each individual director perform their duties effectively and efficiently.

9. Performing any other duties as required by law.

Composition of the Board of Directors

The composition of the Board of Directors is as follows:

1. The Board of Directors consists of not less than five members, each of whom shall be appointed and removed by shareholders' meeting. In order for the Company to perform its duties efficiently, not less than half of the directors shall be residents of Thailand.

2. The Board of Directors consists of at least one-third but not less than three persons or has the proportion of independent directors according to the law or the Office of the Securities and Exchange Commission (SEC), being independent directors.

3. The Board of Directors shall elect one of their members to be the Chairman of the Board.

Qualifications of Directors

The directors of the Company shall have the following qualifications:

Directors

1. Being duly qualified and have no prohibited characteristics pursuant to the Public Limited Company Act, requirements of the Securities and Exchange Commission, and requirements of the Stock Exchange of Thailand.

2. Being an expert with knowledge, capability and experience that is beneficial to the Company's operations. Being able to devote sufficient time fully to perform his/her duty. Being an ethical and integrity filled leader as well as possessing good background experience.

3. Performing duties and using discretion independently in making decisions on various matters both from the management and majority shareholders. Each director has the duty and freedom to ask questions, express opinions, visions, or objections in case of conflicts in order to manage the Company's operations to be a sustainable business; and being a business leader who will bring the utmost benefit to the Company, shareholders, and stakeholders.

4. Being able to have their profiles disclosed and verified.

Independent Directors

1. Shall hold no more than one percent of all the voting shares of the Company, parent company, subsidiaries, affiliates, major shareholders or controller persons. An independent director's shares must include those held by any person related to that independent director.

2. Shall not be nor ever have been a director who is involved with management, an employee, a salaried adviser, or a controlling person of the Company, or any of its subsidiaries, affiliates, major shareholders or controlling person. An exception is made in the case of a candidate who used to hold one of the positions mentioned above but left it at least two years prior to the date of appointment.

3. Shall not have familial (bloodties or legal) relations to individuals, other directors, an executive, a major Shareholder, a controlling person, or a person who is about to be nominated as a Director, an executive or a controlling person of the Company or any of its subsidiaries.

4. Shall not have nor ever had a business relationship with the Company, parent company, or any of its subsidiaries, affiliates, major shareholders, or controlling person in a manner that might obstruct their independent use of discretion. In addition, they must not be nor have ever been a significant shareholder or a controlling person of an entity having a business relationship with the Company, or any of its subsidiaries, affiliates, major shareholders or the Company controlling person. An exception is made in the case of a candidate who used to have such a relationship or hold one of the positions mentioned above but ended it or left it at least two years prior to the date of appointment.

5. Shall not be nor ever have been an auditor of the Company, parent company, or any of its subsidiaries, affiliates, major shareholders or controlling individuals/entities. In addition, he/she shall not be a significant shareholder, a controlling individual or a partner of the audit firm where the auditors of the Company, parent company, or any of its subsidiaries, affiliates, major shareholders or controlling person work. An exception is made in the case of a candidate who used to hold any of the positions mentioned above but left it at least two years prior to the date of appointment.

6. Shall not be nor ever have been a provider of any professional service (including services as a legal or financial adviser) who receives remuneration to the amount of over two million baht per year from the Company, parent company, or any of its subsidiaries, affiliates, major shareholders or controlling person. In addition, he/she shall not be a significant shareholder, a controlling person or a partner of a provider of such professional services. An exception is made in the case of a candidate who used to hold any of the positions mentioned above but left it at least two years prior to the date of appointment.

7. Shall not be appointed as an agent of the Company's director, a Company's major shareholder, or a Company's shareholder connected with a Company's major shareholder.

8. Shall not own businesses that are in the same industry and be in significant competition to the business of the Company or any of its subsidiaries. He/she shall not be significant partners in a limited partnership or directors who are involved in management, employees, and salaried advisers or own more than one percent of all voting shares of another firm that runs a business that is in the same industry as and is in significant competition with the business of the Company or any of its subsidiaries.

9. Shall not have any other characteristics that might hinder the independence of their opinions about the Company's operations.

10. Shall be able to protect the interests of all shareholders equally.

11. Shall be able to prevent conflicts of interest.

Director Nomination

The Board of Directors considers the nomination of the Company's directors from a list of names proposed by the Company's directors, shareholders, or as compiled from reliable sources; and considers selecting persons with qualifications, knowledge, ability and relevant work experience, including the composition, age, gender, diversity in professional skills, specialization skills that are still lacking as criteria for considering the nomination of the Company's directors as well as the qualifications of a director or independent director set forth pursuant to the Public Limited Company Act, Securities and Exchange Act, and other relevant laws and regulations of the Company as stipulated. The Board of Directors subsequently presents to the shareholders' meeting for further approval.

Term of Office

At the annual general meeting (AGM) of shareholders, one-third of the directors, or if their number is not in multiples of three, the number nearest one-third, shall retire from the office. The directors to be retired shall be considered from the directors who have been in office the longest. A director has a term in office for not more than nine consecutive years. The director who retires by rotation is eligible to be nominated to the shareholders' meeting for re-appointment. In addition, any independent director being suitable to continue holding the position after the expiration of the term may be considered by the Board of Directors for independence, suitability, and efficiency in performing duty. The Board of Directors thereby clarifies the reasons and performance of duties to the shareholders in order to consider and select such an independent director who has been an independent director for more than nine consecutive years to continue being an independent director of the Company.

In case of vacancy on the Board of Directors for any reasons other than the retire by rotation, the Board of Directors shall appoint a person who is fully qualified and not prohibited by law to be the substitute director. If the remaining term of office of the said director is less than two months, the substitute director shall hold office only for the remaining term of office of the director whom he/she replaces. In this regard, such appointment shall be approved by the Board of Directors with a vote of not less than three-fourths of the number of remaining directors.

Meeting of the Board of Directors

The Board of Directors has stipulated that there shall be ordinary meetings on a quarterly basis. In addition, extraordinary meetings can be held as necessary. The meetings are scheduled in advance throughout the year according to the laws and the Company's Articles of Association.

In order to promote the regular attendance of the Board of Directors' meeting, the Company has allowed the meetings to be attended in person and through electronic means to enable discussions and exchange of opinions among directors who may not be in the same location.

Authority of Directors

The Board of Directors has authority to approve various matters in accordance with the scope of authority stipulated by laws, the Company's Articles of Association, and the shareholders' meeting resolution. Such matters include the delegation of authority, defining and reviewing corporate vision, mission, operating strategies, operating plans, annual budget and business plans, and medium-range business plans. Added to this is the defining of the target operating results, following up and assessing the operating results to ensure they are consistent with the plan, and overseeing capital expenditure, material connected transactions, merger and acquisition, corporate spin-off, and joint venture deals.

Monitoring and Assessment

The Board of Directors stipulates that management shall regularly report on the Company's performance by comparing what actually happened with the set goals, along with financial reports and progress of operations in various areas of the Company in order to achieve business goals; otherwise, the Board of Directors will ensure the improvement and oversee the management to correct the situation along with the continuous development of that matter.

The Directors and Executives Remuneration

The Board of Directors considers and determines remuneration for the Company's directors under appropriate and verifiable processes before presenting to the shareholders for further consideration and approval of the Company's director remuneration. Regarding the determination of the remuneration for the Company's directors, the Board of Directors will consider comparing references from companies in the industry and businesses of similar size. The remuneration shall be appropriate and consistent with the duties, performance, and responsibilities assigned, including being able to attract qualified directors who can complete their duties to achieve a desirable goal and direction for the Company.

For the executives' remuneration, the Company considers duties, responsibilities, and individual performance together with the operating performance of the Company. The remuneration is adjusted appropriately when compared with the same industry and at a level that is able to motivate and retain qualified directors and executives.

The Directors' Development

The Company supports and encourages all directors to attend seminars and study in various beneficial and comprehensive training courses organized by the Thai Institute of Directors Association (IOD) and the Stock Exchange of Thailand, including independent organizations or agencies in order to perform duties efficiently and suitably for changes in external circumstances and the Company's sustainable development.

The Company Secretary

The Board of Directors has appointed a Company Secretary in order to comply with the law and good corporate governance principles. The Company Secretary is responsible for giving advice on rules, regulations, laws and other rules related to the Company's business, and also supervising and coordinating activities of the Board of Directors and executives in accordance with the resolutions of the Board of Directors and the resolutions of the shareholders. Besides he or she also has to ensure that the disclosure of financial reports, important information as well as other information that may affect the decisions of investors and shareholders are accurately, completely, and timely done as required by law and in accordance with the criteria set by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

The Sub-committee

The Board of Directors appoints one sub-committee to assist in supervising the Company's operations, namely the Audit Committee. The composition, qualifications, meetings, term of office, and scope of duties responsibilities of the committee will be as stipulated by the Board of Directors regarding the Audit Committee appointment. The meetings for the Audit Committee are stipulated in advance where the additional meetings can be stipulated as necessary. The meeting minutes are prepared in writing, and kept systematically as well.

In addition, the Board of Directors stipulates details of the structure, composition, roles, duties and responsibilities, performance, meeting attendance, and remuneration for sub-committees in the Annual Registration Statement/Annual Report (Form 56-1 One Report).

Stakeholder Engagement

The Company is committed to undertake the business with integrity and responsibility to the community as well as operating by adhering to the principle of creating core values shared between the organization and all stakeholders for sustainable mutual benefits. The Company stipulates a process to promote cooperation between the Company and all stakeholders, including customers, employees, business partners, shareholders or investors, creditors and communities, society or the government sector. and other groups of stakeholders, namely competitors, for instance. in creating stability and sustainability of the business. In order to create stability and sustainability to business, the Company emphasizes the rights of all groups of stakeholders as follows:

1. Shareholders

The Company values the shareholders as the owners of the Company; therefore, it stipulates the Board of Directors as the representatives of shareholders. The executives and employees of the Company also have a duty to conduct business in order to maximize benefits and add value to shareholders in the long run.

The Company respects the rights of shareholders and recognizes the duty to treat shareholders equally including the basic rights set forth by law and the Company's regulations such as the right to attend the shareholders' meeting, elect directors, receive fair returns; and provides the right to shareholders to suggest various opinions over business operations of the Company through independent directors.

2. Employees

Labour and Human Rights

Regarding the treatment of employees who are considered a valuable human resource, the Company has a policy that employees shall be treated fairly in terms of remuneration and potential development as well as ensuring quality of life, safety, and hygiene in the workplace. For the remuneration, the Company has a guideline to consider based on the ability level and effective performance. The Company recognizes human rights principles; therefore, does not have a policy of discrimination, but ensures equality of opportunities for all employees as well as considering employment without discrimination of origin, race, ethnicity, color, national or social origin, religion, social status, gender, age, physical appearance or figure, language, political opinion, property or other status, or any disability that is not related to the operation. The Company cares and treats all employees equally, and provides appropriate returns.

Employee Treatment

Remuneration Management

The Company clearly stipulates the employee remuneration management policy and its procedures which are disclosed in the personnel management regulations. There is an appropriate remuneration structure for each position level. The company stipulates the remuneration management budget that is in line with the Company's performance both in the short and long terms. The short-term remuneration is based on the Company's performance each year. For long-term remuneration, it is considered based on the results of long-term business plans, such as business expansion, profit growth rate, market share, and continuous improvement of operational efficiency.

Welfare Management

The Company clearly stipulates employee remuneration management policy and its procedures, focusing on welfare arrangements to all groups of employees appropriately and fairly by having a review of various welfare arrangements on a regular basis according to the change of economic and social conditions. Welfare arrangements for employees cover all periods from employment to retirement as well as covering all aspects from welfare related to work (e.g. allowances, travel expenses uniforms), health welfare, (e.g. annual health check-up) and other welfare benefits or assistance to employees in various circumstances (e.g. provident fund, health and accident insurance, opportunity allowance).

Long-Term Employee Treatment

The Company has a policy to continuously treat its employees in the long run by providing a provident fund (the employees who are members will pay monthly contributions to the fund at the rate of five percent of employee wages whilst the Company will pay a monthly contribution to the fund at the rate of five percent of the employee's wages according to the period of work of the employee).

Employee Development and Training Hours

The Company establishes a strategy for employees learning and development by requiring employees to attend not less than 48 hours of internal and external training per year as for training and self-development to their operations. In this regard, the Company also provides training by inviting external speakers with expertise to educate employees regularly.

3. Customers

The Company is committed to provide maximum satisfaction to the customers by taking care and taking responsibility as well as providing services to customers according to the set standards, safeguarding customers' confidentiality, not disclosing information without the permission of the customers. The Company has a system and a unit responsible for receiving customers' complaints as well as having guidelines to expedite the process of finding a fair resolution and resolving such complaints as soon as possible.

4. Business Partners

The Company complies with the framework of honest and transparent trade competition by strictly adhering to trade and contractual conditions as defined with business partners with the consideration of a fair price taking into account the reasonableness of price, quality, and service received. The Company stipulates clear regulations for procurement and various actions as well as not demanding or accepting any assets or benefits from business partners; and supports environmentally and friendly procurement and does not conduct business with business partners whose business behavior is illegal.

The Company stipulates guidelines for the management and selection of business partners by clearly specifying the procurement and selection policy, qualification, business process that is systematic, fair, and transparent; and supports business partners who conduct their business with integrity, social and environmental responsibility, and does not engage in transactions with individuals or juristic persons that violate the law or have behaviors that indicate corruption.

5. Community

The company is aware of being a part of the community for helping each other in society. In order to give back to the local communities where the company is located and beyond, as well as providing significance to the needs of the community, the Company continuously participates in various social assistance activities. For giving back to society in a larger scale, the Company organizes activities to promote the quality of communities in various aspects including donations for the public benefit for a long time.

6. Governmental Organizations and related parties

The Company strictly complies with relevant laws in various fields in terms of environment, safety, labor, tax management, and accounting, including regulations and announcements of the government related to the business operations of the Company. The Company does not take any action that may induce government officials to take improper actions; and supports government activities and listens to opinions, suggestions, or complaints of various related government agencies and related parties.

In addition to the above-mentioned operational guidelines, the Board of Directors stipulates guidelines for other areas of action related to social responsibility and preservation and protection of the interests of stakeholders as follows:

Guideline for Actions on Human Rights Violations

The Company respects the human rights of employees and other stakeholders. The Company will not discriminate against any person with differences in concepts, race, nationality, skin color, religion, gender, sexual preference, culture, or any other status that is considered a human right, as well as applying appropriate human rights practices to the organization; and will not support or participate in any with persons and/or activities involved in human rights violations.

Guideline for Anti-Corruption

The Company has a policy to support anti-bribery and corruption in any and all cases; and provides cooperation with various agencies fighting against corruption as appropriate. At the same time, the Company stipulates that all directors, executives, and employees of the Company shall not participate in corruption and not give or accept bribes from public or private officials, both directly and indirectly in order to obtain or maintain business or competitive advantages or take advantage of donations; and provides continuous communication and education to employees about anti-corruption practices. The Company also arranges an inspection and assessment of corruption; and monitoring the result of the compliance with guidelines for anti-bribery and corruption of the Company on an ongoing and appropriate basis in order to ensure that the Company's business operations will be in accordance with the intentions in such matters.

Guidelines for Whistleblowing and Complaints

The Company provides measures for overseeing and channels for all stakeholders which includes employees in notifying clues or making complaints for suspected violations or non compliance with laws, rules, regulations, or good corporate governance policies as well as inaccurate financial reporting, or defective internal control system to the Audit Committee directly through various channels, by giving access to a channel through the Company's website as follows:

Whistleblowing Channels or Complaint

Report complaints or clues about misconduct and corruption through various channels as deemed appropriate as follows:

1. If employees have whistleblowing concerns, they may raise their concerns with the relevant line manager or Division Head. They may be able to agree a way of resolving their whistleblowing concerns quickly and effectively. In

some cases, they may refer the matter to the Whistleblowing Officer.

2. If employees, who consider the matter to be more serious, or prefer not to raise it with the line manager or Division Head for any reason, may contact the Whistleblowing Officer or the Chairman of the Audit Committee directly.

3. If the whistleblowing concern involves a Director, the Whistleblower may report directly to the Chairman of the Audit Committee. The Chairman of the Audit Committee, in consultation with the Board, may set up a special committee to investigate the matter independently.

4. Disclosures can be made in person or in writing. Employees are required to identify themselves when submitting a complaint so that the complaint can be looked into fully and fairly.

5. Disciplinary action may be taken against any person who attempts to impede, prevent, or obstruct a whistleblowing complaint from being made or an investigation from being carried out.

The Company has guidelines for the protection of whistleblowers or complainants. It is assumed that the personal information of the whistleblower or the complainant is confidential, and the Company will not disclose the name of the whistleblower or complainant unless its disclosure is required by law and the relevant regulatory agencies. Accordingly, the Company has a policy not to harass or give any punishment to whistleblowers or complainants who are employees, trying to keep them from providing such clues or complaints unless such action is done in bad faith or with malicious intention to destroy the Company or another person, or is illegal, or violates the Company regulations.

After considering corrective actions as improved according to complaints or clues received, the Company will notify the whistleblower or complainant in accordance with the procedures and within an appropriate time frame.

In addition, if there is a case where complaints or clues are made with good faith and free from malicious intention to damage the reputation of the Company or the person involved, and the Company is ruled by the court to have violated the law and rights of that person, the person shall be entitled to compensation from the Company as appropriate, reasonable, and in accordance with the rules prescribed by law.

Disclosure and Transparency

Disclosure

The Company recognizes and values the disclosure of important information related to the Company including both financial and non-financial information, and other important information that may affect the price of the Company's securities with accuracy, completeness, timeliness, transparency, and credibility to all shareholders equally and fairly. The Company, therefore, provides guidelines for information disclosure, which cover all communication channels of the Company as follows:

1. The Board of Directors is responsible for the disclosure of the Company's information including financial reports, non-financial information, and other information according to the regulations of the Stock Exchange of Thailand (SET) and the Office of the Securities and Exchange Commission (SEC) with the accuracy, clearness, completeness, transparency, and concise and easy-to-understand language. Important information, both positive and negative, shall be disclosed and passed through the consideration process pursuant to the required procedures, taking into account the need to maintain the information which is business secret, business strategy, or information that, if disclosed, may cause loss of benefits and ability to compete.

2. The Board of Directors oversees the information report and performance results according to the annual registration statement/annual report (Form 56-1 One Report) with completeness, accuracy, and in accordance with the period required by laws and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC) or other relevant agencies; and discloses such information on the Company's website allowing shareholders and stakeholders to receive information accurately and equally.

3. The Board of Directors is responsible for the preparation of the Company's financial reports, by ensuring the report on the Board of Directors' responsibilities for financial reports is provided along with the Auditor's report in the annual report, as well as overseeing the management to prepare financial statements and financial information with accuracy and completeness under generally accepted accounting principles in Thailand and in accordance with accounting standards and certified public accountants of Thailand; and applies appropriate accounting policies including the use of careful discretion as well as considering the reasonableness of the preparation and sufficient disclosure of significant information in the notes to the financial statements.

4. The Company establishes unit to act as a contact person, communicate, and provide accurate information to institutional investors, shareholders, and related analysts in an accurate, equal, and fair manner.

5. The Company provides information disclosure channels which is a channel that shareholders, investors, and the general public can easily access and equally receive the information of the Company. The information is available in both Thai and English languages, allowing investors and interested people to access the Company's information accurately, timely, and equally.

Management of The Use of Inside Information and Conflicts of Interest

1. Use of inside information

The management of the use of inside information is an important responsibility of the directors, executives, and employees of the Company who must strictly maintain the Company's confidential information, especially the inside information that has not yet been disclosed to the public or information that affects business operations or stock prices. The Company prohibits the use of the opportunity or information obtained from being a directors, executives, or employees of the Company for personal benefit, including the limitation of acknowledgment of information to only directors and senior executives related to the Company. In addition, the Company stipulates that the executives shall report their securities holdings and changes in securities holding to the Office of the Securities and Exchange Commission (SEC), Section 59 of the Securities and Exchange Act B.E. 2535. The Company also stipulates the written policy prohibiting the directors, executives, and employees, who works in the organizations acknowledging inside information, including husbands, wives, and minors, from trading the Company's securities; and disseminating the news (Quiet Period) for 30 days before the announcement of the operating results or announcement of quarterly and annual financial statements. In a case where any executives or employees commit a disciplinary breach, they will be sanctioned which ranges from admonishment to the termination of employment, including legal proceedings. The announcement is prepared and notified to the executives, directors, and employees of the Company in advance every time.

2. Conflicts of Interest

The Board of Directors and executive management of the Company are cautious about conflicts of interest that may arise, by overseeing executives or related persons not to use inside information of the Company for their own

benefit. In addition, the directors and executives of the Company are required to report their own interests in accordance with the criteria set by the law and the Board of Directors.

Regarding the act of entering into the Company's related transactions that occur with persons who may have conflicts of interest, vested interest, or potential conflict of interest in the future, the Board of Directors assigns the Audit Committee to give opinions on the necessity and suitability of such transaction. In the case where the Audit Committee does not have expertise in considering related party transactions that may occur, the Audit Committee may employ independent experts or the Company's auditor to give opinions on such connected transactions, used for decision making by the Board of Directors or shareholders, as the case may be, and to prevent conflicts of interest that may occur. The Board of Directors stipulates policies and guidelines to prevent directors and employees of the Company from seeking personal benefits, requiring that the directors and employees avoid making transactions that may involve themselves and cause conflicts of interest with the Company.

In addition, to prevent conflicts of interest, the Company clearly stipulates a policy to manage transactions that may cause conflicts of interest. In the event that the Company's director has interests in any agenda, such director shall have no right to vote or participate in the consideration of such agenda, as well as setting policies and procedures to prevent executives and related persons from using the Company's inside information for their own benefit.

Internal Control and Internal Audits

The Board of Directors establishes an internal control system for the business operation of the Company, which covers all aspects including finance, performance, procedure in accordance with relevant laws, and rules and regulations; and establishes a check and balance mechanism to prevent unlawful exploitation. The Board of Directors stipulates the authority to operate and approve of executives and the Company's employees. The hierarchy of approval authority and responsibilities of executives and employees is specified in the Company's approval authority manual which shall be strictly complied with and has an internal audit function reviewing the internal control system to assess the efficiency, effectiveness, and compliance with international standards in both operations and information technology systems; and reporting directly to the Audit Committee who is responsible for ensuring the work of the internal audit function to be independent, fair, ethical, and have professional expertise in accordance with international standards of the internal audit profession, including international standards for internal auditing and standards for auditing information technology systems, clearly setting missions, scope of work, authority, and responsibilities as well as guidelines for the audit operation, and reviewing it regularly. In addition, the Board of Directors ensures the establishment of an information technology system used to collect information, monitor, and report the results of the review of the internal control system to the Board of Directors and the Audit Committee in order to increase the efficiency of performance.

Risk Management

The Board of Directors is aware of the importance of the management and control of potential risks that may occur to the Company, by assigning the Audit Committee to monitor and ensure the efficient and effective risk management process. The key risks to the organization are identified as well as proper assessment and management. The Board of Directors stipulates that executives and employees have the responsibility to own the risks, being responsible for identifying, analyzing, and evaluating opportunities and impacts of risks and opportunities, and formulating business strategies and managing risks in a balanced manner including business continuity management under efficient and effective resource allocation, by regularly monitoring, reviewing, and reporting on the effectiveness of key risk and early warning management. The Board of Directors also cultivates risk management as part of the organizational culture, and continuously develops knowledge and competencies of employees in risk management as well as having review of the risk management policy, taking into account changes that are significant to the Company.

Communication and Promotion of Compliance with The Company's Corporate Governance Policy and Code of Conduct

The Board of Directors recognizes the importance of publication and promotion of awareness, understanding, and cooperation of everyone in the organization to strictly adhering to and complying with the corporate governance policy and the Company's Code of Conduct in order to achieve the objectives and goals towards the development, and elevate the corporate governance of the Company. The Board of Directors therefore establishes a policy to provide a continual communication to employees about the corporate governance policy and the Company's Code of Conduct as well as organizing activities that promote knowledge, understanding, and process to monitor the continual compliance with the Company's policies and Code of Conduct, used to improve, correct, and develop various regulatory compliances to be in the same direction or intention throughout the organization.

SHANGRI-LA GROUP

CODE OF CONDUCT AND ETHICS

Effective as of 2 September 2019

1. INTRODUCTION

At Shangri-La, we believe that treating people fairly, honestly and with respect is not only part of our culture but key to our business success. In dealing with guests, colleagues, business partners, shareholders or suppliers, we are committed to certain core values that define our reputation and brand: integrity, fairness, respect, ethical business conduct and excellence in service. The Shangri-La Code of Conduct and Ethics (“this Code”) is designed to reaffirm and promote these values by setting out the standards required of employees in the performance of their duties as representatives of Shangri-La.

Unless stated otherwise, this Code applies to all directors, officers and employees of the Shangri-La group of companies including Shangri-La Asia Limited, its subsidiaries, business units and controlled affiliates (collectively, “the Group”) as well as employees of properties and businesses operated by the Group (collectively, “Employees” or “employees”).

2. COMPLIANCE WITH THIS CODE AND THE LAW

Employees are required to understand and comply with the letter and spirit of this Code as well as all policies, guidelines and directives issued by the Group from time to time (“the Group’s Policies”).

The Group is committed to conducting its affairs in full compliance with all applicable laws, rules and regulations of all applicable jurisdictions, including listing rules that are applicable to the Group’s entities whose shares are publicly traded. No employee is authorized to commit an illegal act, or to instruct others to do so, for any reason. Employees who work or have business responsibilities overseas must ensure that they understand and obey the laws, rules and regulations of those countries. This Code sets out the minimum standards to be applied across the Group, and to the extent that local laws, rules, regulations, customs and/or industry practice prescribe more stringent behavior, such laws, rules, regulations, customs and/or industry practice shall prevail.

This Code is not intended to be a comprehensive rulebook and cannot cover every situation. Employees are required to exercise good judgment and act in the Group’s interest at all times. Employees should approach their supervisors, their Human Resources Manager or the Legal Department whenever they have any questions concerning this Code, the Group’s Policies, or any laws or regulations.

Employees who become aware of any suspected or known violation of this Code must promptly report the matter to their department head, their Human Resources Manager, the Legal Department or in accordance with the Whistleblowing Policy (described in section 22 below).

Any failure to comply with this Code may result in disciplinary action including suspension or termination of employment.

3. LEADERSHIP RESPONSIBILITIES

The leaders of the Group including directors, officers, managers or employees who have supervisory responsibilities over any business unit, management function or other employees are responsible for ensuring that this Code is understood by employees reporting to them. Leaders must create a workplace environment that encourages compliance with this Code through their own personal conduct and by clear and regular communication with employees about the requirements of this Code.

Leaders must maintain an “open door” for employees to freely discuss any aspects of this Code, to raise concerns about or discuss difficult business decisions, or to report any suspected or known violations of this Code. Leaders must encourage employees to speak up and ensure that there is no retaliation or reprisal against employees who do.

Leaders are not permitted to authorize any act that may lead to a violation of this Code. Leaders must also avoid putting undue or unreasonable pressure on employees or placing them in positions that may lead to a compromise of this Code.

Leaders must promptly report all suspected or known violations of this Code to the Human Resources Department, the Internal Audit Department, the Legal Department or the office of the Chief Executive Officer.

4. EQUAL OPPORTUNITY AND RESPECT

The Group is proud of its culture of diversity and is committed to maintaining a fair and inclusive workplace for all employees. It is vital to this culture that employees treat each other with courtesy, consideration and respect at all times irrespective of position, title or background.

Employment decisions (including hiring, promotions, remuneration, training and transfers) must be made on fair and equitable grounds based on merit and what is in the best interest of the Group. Employees must avoid any form of employment discrimination or harassment based on gender, race, ethnicity, religion, nationality, disability, marital status, sexual orientation, family status or any other personal characteristic protected by law.

The Group prohibits any form of harassment (including sexual harassment) irrespective of whether this occurs within or outside the workplace. Harassment includes inappropriate conduct that may be annoying, embarrassing, insulting, intimidating or demeaning to another employee. Sexual harassment includes unwanted sexual advances, inappropriate references to sex or any form of conduct that may cause another employee to feel embarrassed or uncomfortable.

5. PROTECTING GROUP ASSETS

Employees must use Group assets only for authorised business purposes and in accordance with the Group’s Policies. Group assets must not be used for personal purposes or gain or illegal activities. Employees are required to protect Group assets from loss, damage, theft and misuse. Employees are not permitted to remove any Group asset without proper authorisation.

Group assets include (but are not limited to) rooms and facilities, equipment, machinery, furnishing, vehicles, properties (including but not limited to hotels, offices, shopping malls and apartments), supplies and products, business plans, manuals, software, inventories, communication systems, computer and IT systems, funds, intellectual properties and confidential information.

6. FULL DEDICATION TO GROUP MATTERS

All employees are required to perform their duties diligently, faithfully and with proper care and skill. Whilst at work, employees are required to fully dedicate their time and attention to Group matters and must not engage in any other forms of personal business. Employees must avoid personal activities that detract from their normal duties such as texting, internet surfing, online chats, personal calls and any other activity of a non-work related nature. Employees must comply with the Group's Policies concerning the use of the Group's information and technology systems and equipment at all times.

7. CONFLICT OF INTEREST

All employees must avoid situations in which their personal interests may conflict, or appear to conflict, with the interests of the Group. Employees must not allow their personal interests to impair or compromise, or appear to impair and compromise, their duty to act or make decisions in the best interests of the Group.

It is not possible to list every situation that might give rise to a conflict of interest. The following are some of the important areas where such conflict may arise.

Personal Interest

No employee shall have a direct or indirect personal interest in a transaction involving the Group except when this interest has been fully disclosed to and approved by the Group.

Outside Employment

Employees who are employed on a full-time basis are not permitted to engage in any outside employment without the prior approval of the Human Resources Department or business ventures that may interfere with their ability to perform their duties for the Group in an objective, effective and timely manner.

Outside Directorship

Other than non-executive directors of the boards of any of the Group companies, all employees must :

a) seek prior approval from the Human Resources Department before accepting any directorship of any of the following :

- (i) any public company outside the Group;
- (ii) any company outside the Group that carries on businesses similar to those of the Group;

(iii) any company outside the Group who is the supplier, customer, consultant and/or contractor of the Group, or who is seeking to do business with the Group (collectively, “Suppliers”); or

(iv) any other company outside the Group in which the acceptance of such directorship may conflict, or appear to conflict, with the interests of the Group; and

b) declare their directorships in any other company outside the Group, in accordance with the Group’s Outside Directorship Policy.

Improper Personal Benefits

Employees must not abuse their position with the Group to obtain any unlawful personal benefits, gains or favors. Please see “Preventing Bribery and Corruption” and “Gifts and Entertainment” below for further guidelines in this area.

Employees may not divert or take for themselves any business or financial opportunity that they discover because of their position with the Group or through the use of Confidential Information (as hereinafter defined) or material non-public information about the Group without the Group’s written consent. Please see “Protecting Confidential Information” and “Insider Dealing” below for further guidelines in this area.

Dealing with Suppliers

Employees must select and deal with Suppliers in an honest, fair and impartial manner, taking into account the best interests of the Group. In the selection and appointment of Suppliers, employees are required to comply with the Group’s Policies on procurement.

Without full disclosure and prior approval of the Human Resources Department, employees must not :

- (a) have any form of financial interest, whether direct or indirect, in Suppliers (other than publicly-listed companies);
- (b) select or transact with Suppliers that are owned by their family members;
- (c) be employed or act as a director or consultant for any Supplier; and
- (d) have any financial dealings with Suppliers such as loans, guarantees, contracts or joint ventures, but this does not prohibit arms-length retail transactions with banks or financial institutions.

Dealing with Relatives

The hiring, placement and transfer of relatives of employees by the Group are subject to the Group’s Policies. An employee must not directly supervise the work of his/her relative, or make decisions involving a direct benefit to his/her relative (including those relating to compensation, reward recommendations and performance assessments).

8. PREVENTING BRIBERY AND CORRUPTION

The Group is fully committed to conducting business in an honest and ethical manner. Employees must understand and comply with all applicable laws and regulations against bribery and corruption as well as this Code.

In this section, the term “advantage” (commonly known as “bribes”, “kickbacks” or “sweeteners”) includes any form of payment, gift, property, loan, fee, donation, commission, reward, favour, employment, contract, service or accommodation.

Employees must :

(a) decline any advantage offered to them if the offer may compromise, or appear to compromise, their ability to make object and fair business decisions in the interests of the Group. Please see “Gifts and Entertainment” below for further guidelines in this area;

(b) not solicit or accept, either for themselves or any other person, any form of advantage in connection with the performance of their duties for the Group;

(c) not offer any advantage to any person or company to improperly influence such person or company in obtaining or retaining business for, or directing business to the Group;

(d) not use any of the funds, assets, services or facilities of the Group or that of any of its places of business, hotels or properties to improperly influence or corrupt the action of government officials, regulators, agents or employees of any other company; and

(e) not give any discounts, pay any commissions, make any payments, concede any favorable terms or provide any advantages in the conduct of the Group’s business, unless these are made in compliance with the Company’s Policies and approved by the Company.

9. GIFTS AND ENTERTAINMENT

The Group recognizes that there will be circumstances when it is appropriate, out of courtesy, relationship building or cultural norms, to give or receive small gifts of nominal value or reasonable business entertainment to or from business associates. Employees attending or organising conferences, seminars and corporate events may give away or accept promotional or marketing items if these items are given or accepted in connection with their participation in the event. Employees must at all times exercise good judgment and moderation in giving and receiving business gifts and entertainment.

Employees must decline gifts (over a value of US\$100), entertainment or other advantages that could compromise, or appear to compromise, their ability to make objective and fair business decisions. If a gift cannot be declined or returned due to cultural or social norms, the gift must be disclosed to the Human Resources Department who may decide whether the gift should be retained or donated to the Group or charity.

Reasonable business entertainment includes meals and attendance at cultural or sporting events. However, employees should avoid accepting invitations to meals or entertainment that are lavish, or excessive in nature or frequency, as this could compromise, or appear to compromise, their ability to make objective and fair business decisions.

Employees are encouraged to check with the Human Resources Department if they have any concerns about the appropriateness of any gift or entertainment.

10. PROTECTING CONFIDENTIAL INFORMATION

Employees are obliged to maintain and protect the confidentiality of all non-public information relating to the Group’s affairs including (but not limited to) proprietary information, trade secrets, intellectual properties, brand standards,

training manuals, operating manuals, data processing systems, programs, databases, data, sales and marketing information, rates and pricing, business plans, financial information, personnel information, shareholder information, work products and correspondences (“Confidential Information”).

Employees must not disclose any Confidential Information to outside parties unless authorized to do so by the Group or unless such disclosure is required by law. Employees may not use Confidential Information for any purpose other than work-related matters. Employees must at all times take reasonable precautions to safeguard against inadvertent disclosure of Confidential Information.

Employees must comply with the Group’s Policies regarding the use and protection of Confidential Information.

11. PRIVACY AND DATA PROTECTION

Employees must protect the privacy and confidentiality of personal data of colleagues, guests, customers and service providers by ensuring that such data is secure at all times and not used or disclosed without the proper authorization of the Group. Personal data includes any data which identifies an individual such as names, addresses, identity card or passport details, credit card details, telephone numbers, email addresses, personal identification numbers, employment records, health information or location data. Employees must ensure that the collection, storage, transfer, disclosure or use of any such personal data is in accordance with the Group’s Policies and the applicable data protection laws and regulations. Employees must familiarize themselves with the Group’s Policies on privacy and data protection and report any actual or suspected privacy or security breaches to the Data Protection Officer immediately. Employees can contact the Data Protection Officer by email at dataprotectionofficer@shangri-la.com for any questions or guidance on the handling of personal data.

12. INSIDER DEALING

Employees are prohibited from using Confidential Information to secure personal advantage or gain. Employees must not trade in the public listed shares or other securities of the Group while in possession of any material non-public information about the Group. In general, information is considered “material” if there is a substantial likelihood that a reasonable investor would consider it important in determining whether to buy, hold or sell stocks. Employees must not disclose any material non-public information to outsiders such as friends and relatives, or other employees who do not need to know of such information in the performance of their duties for the Group.

13. ANTI-COMPETITIVE PRACTICES

The Group is committed to competing fairly and openly in each market we serve so as to provide the highest level of service to our guests and customers at fair value. Employees must not engage in anti-competitive practices such as price fixing. This means that employees must not enter into any form of agreement, arrangement, understanding or plan, whether expressed, implied, formal or informal, with a competitor in regard to competitive information such as pricing, rate, terms of sales and service, distribution, territories or guests. Employees must also avoid discussing,

disclosing, sharing or exchanging information with a competitor about such competitive information.

Employees working in overseas countries may be subject to laws and regulations that prohibit anti-competitive or antitrust practices. Violation of such laws or regulations may subject employees or the Group to criminal sanctions and fines. Employees in these countries must therefore ensure that they familiarize themselves and fully comply with applicable laws and regulations.

14. MAINTAINING PROPER BOOKS AND RECORDS

The Group depends on complete and accurate business records to fulfill its responsibilities to shareholders, customers, suppliers, regulators and other stakeholders. Employees must ensure that the Group's business books and records, such as accounting records, travel and entertainment expense claims, emails, memos, financial statements, presentations and reports, are complete, fair and accurate, and properly maintained in accordance with the Group's Policies. The intentional creation of false, misleading and deceptive business records or documents is strictly prohibited.

15. HEALTH AND SAFETY

The health, safety and security of the Group's guests, customers and employees are paramount. Employees must conduct their work in a safe, careful and hygienic manner in accordance with the Group's Policies and all applicable laws and regulations.

Employees will make every reasonable effort to safeguard the safety and security of the Group's guests, customers and visitors who visit the Group's places of business, hotels and properties. Employees are required to report any safety risk, hazard, defective equipment, danger or any other security concern immediately to their supervisors.

The Company strictly prohibits the following and any employee found to be in violation of any of the following may face disciplinary action :

(a) the use of any drugs or controlled substances (whether legal or not) other than medication for legitimate medical conditions by employees at any of the Group's places of business, hotels or properties;

(b) the use of cannabis or marijuana (whether legalized or not) by employees at any of the Group's places of business, hotels or properties;

(c) employees from being at work whilst under the influence of any drugs, controlled substances or medication that may impair or interfere with the performance of their duties; and

(d) employees from dealing with or in possession of cannabis, marijuana, drugs or controlled substances other than medication for legitimate medical conditions, at any of the Group's places of business, hotels or properties, and any employee so found will be reported immediately to the police if such act may violate any applicable laws or regulations.

Employees are required to exercise good judgment and moderation in the consumption of alcohol during business meals and engagements. Whilst consuming alcohol at any of the Group's places of business, hotels or properties, employees must not be intoxicated and disorderly, or allow their behavior to tarnish the image and reputation of the Group. Employees must not allow alcohol or drug dependencies to interfere with their duties and should seek treatment for such dependencies in such situations.

16. PROTECTING THE GROUP'S NAME

Employees are responsible for protecting the reputation of the Group. Employees must conduct themselves at all times in accordance with the community's standards of integrity, honesty and good morals and avoid any act of moral turpitude that could adversely affect the image and reputation of the Group.

17. CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to operating in an economically, socially and environmentally responsible manner in the communities that the Group operates in.

Employees must take all necessary measures to ensure that the handling, storage and disposal of any form of hazardous material, toxic substances or waste is carried out in an environmentally responsible manner without creating risks to human health or the environment and in compliance with applicable laws and regulations.

Employees must be sensitive to and respectful of local cultures and customs. Employees are encouraged to contribute to and participate in community and civic affairs so long as this is in keeping with the Group's Policies.

18. EXTERNAL COMMUNICATIONS

The Group is committed to providing accurate and complete information to the public in compliance with legal requirements. Only authorised spokespersons may communicate on behalf of the Group concerning its official position on topics such as financial performance, business strategies, development plans, operations status, legal matters and public policy issues.

Employees must not discuss any matters relating to the activities and performance of the Group with representatives of the media unless specifically authorised.

Employees must comply with the Group's Policies on the use of social media.

19. ANTI-MONEY LAUNDERING

Involvement in money laundering activities can seriously damage the Group's reputation and can expose the Group and its employees to severe regulatory sanctions, fines and imprisonment.

Employees must understand and comply with all applicable anti-money laundering laws and regulations, as well as this Code.

Employees are prohibited from engaging in or facilitating transactions anywhere in the world that involve funds that were derived from criminal activities. Employees must be alert when handling payments and transactions with third parties including guests, suppliers, service providers and business partners and ensure that the Group and its employees do not accept cash or funds that are suspected to have come from criminal activities. In the event of any doubt, employees are advised to seek guidance from their respective Financial Controllers or the Chief Financial Controller.

20. SLAVERY AND HUMAN TRAFFICKING

The Group is committed to observing the highest standards of human rights and does not tolerate any form of slavery and human trafficking either within the Group's properties, operations or supply chains. The use of any form of forced labour, including trafficked, coerced, bonded, indentured or child labour is strictly prohibited.

The Group prohibits its places of business, hotels and properties from being used as locations for human rights violations such as human trafficking or sexual exploitation. Employees are required to report to their supervisors immediately if they become aware that the Group's places of business, hotels or properties are being mis-used for any such purposes.

21. POLITICAL INVOLVEMENT

It is the Group's general policy to remain politically neutral and avoid making political donations.

Employees must not make political contributions or expenditures (including use of the Group's name, assets, funds or services) on behalf of the Group or involve the Group in any kind of political activities without prior approval by the Group.

Whilst employees are not restricted from taking part personally in political activities in their own time, they must not create the impression that they represent the Group in these matters.

22. WHISTLEBLOWING POLICY

It is the duty of employees who become aware of any suspected or known violation of this Code to promptly report the matter to the Group. The Group has issued the Whistleblowing Policy which sets out the process in which such reports are to be made.

Employees making a report in accordance with the Whistleblowing Policy or raising any genuine concerns about this Code will be protected from reprisal or retaliation. Any employee who engages in such reprisal or retaliation will be subject to serious disciplinary action including possible termination of employment.

Reports and complaints are to be made in good faith. For the purposes of this Code, good faith is evident when the report is made without malice and the employee has a genuine or reasonable basis to believe that the report is true. If an employee deliberately discloses false information or if the report is found to be made for malicious purposes, this may result in disciplinary action including possible termination of employment. The Group may refuse to respond to anonymous reports or complaints.

The Whistleblowing Policy is not intended to apply to complaints relating to an employee's personal circumstances, or grievances at work, or any personal disputes, or questions concerning the financial or business decisions taken by the Group. Employees should raise such grievances separately through the Group's Grievance Handling Procedures Policy.

23. INTERPRETATION OF THIS CODE AND COMMENTS

The Board of Directors of Shangri-La Asia Limited, through the Legal Department, is responsible for the interpretation of this Code. This Code may be revised from time to time.

The Group values the input of employees on any matter relating to the Code. Employees should not hesitate to contact their Human Resources Manager with any queries or comments concerning any aspect of this Code.



Attachment 6

Report of the Audit Committee

The Audit Committee performed activities within the scope of its Charter as assigned by the Board of Directors for the year 2023 as follows:

1. The Audit Committee checked the reliability of financial reports by reviewing the quarterly and annual financial statements. The Audit Committee invited external auditors and the management to attend the meetings to consider that financial reporting was in conformity with the auditing standards, the accounting standards and financial reporting standards to ensure all financial reports were presented fairly in all respects. In one of the meetings, the Audit Committee also took the liberty of meeting with external auditors without the Company representatives. The external auditors confirmed that they performed the engagements objectively and independently, with good cooperation of the management.

2. The Audit Committee checked the reliability of Internal Control, conformance to tax laws and business operations were in line with their objectives.

3. The Audit Committee received and approved the Internal Audit Summary Report for the year 2023 and follow-up reports on corrective actions taken. In reviewing the Company's system of internal control, the Audit Committee discussed the matter with the Financial Controller and Internal Audit Manager. The Committee has come to the conclusion that the Company has an adequate and appropriate internal control system.

4. The Audit Committee assessed the independence of the Company's external auditor prior to recommending to the Board of Directors the appointment and remuneration of the external auditor for the coming year.

On 19 February 2024, the Audit Committee also reviewed the financial statements of the Company for the year ended 31 December 2023 prior to recommending them to the Board of Directors for approval.

Mr. Kovit Poshyananda

Chairman of the Audit Committee


19 February 2024




SHANGRI-LA

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