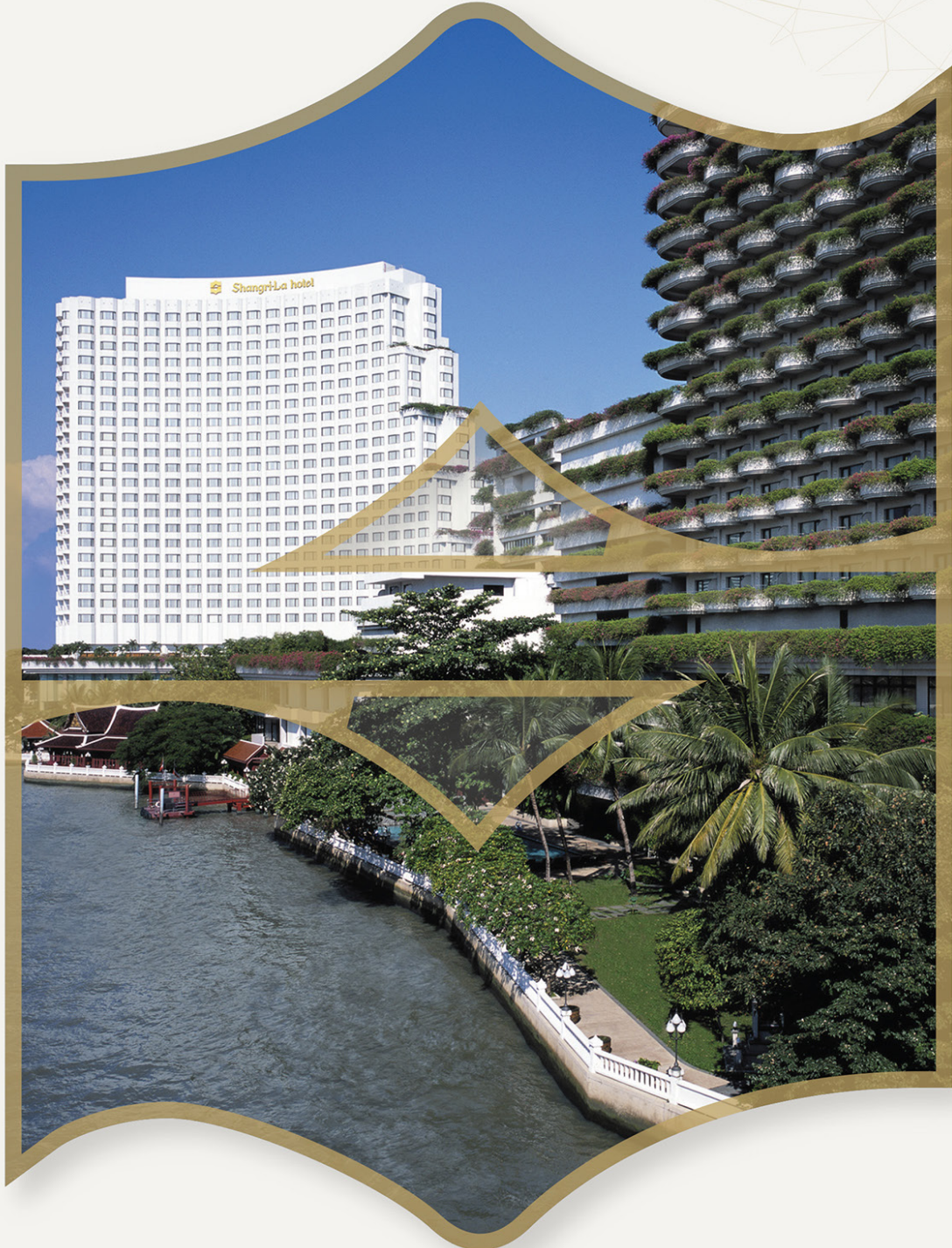




SHANGRI-LA



Shangri-La Hotel Public Company Limited

Annual Registration Statement/
Annual Report 2024
(Form 56-1 One Report)

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Vice Chairman's Statement

In 2024, Thailand's tourism and hospitality industries continue to demonstrate robust potential for recovery from past crisis. Supported by government policies, growing traveler confidence, and the dedication of service industry stakeholders, the country is projected to welcome over 36 million international visitors. Both domestic and international travel are gaining popularity. The domestic tourism is a key indicator of evolving travel behaviors. In 2024, hotels have responded effectively to customer demands through offerings tailored to both domestic and international markets, with a particular emphasis on health, sustainability, and the integration of technology to enhance operational efficiency and accommodate future tourism needs.

Shangri-La Hotel Public Company Limited ("Company") has long been committed to delivering exceptional experiences for its guests. The Company attributes its success to a harmonious blend of luxury, personalized service, and a consistent ability to adapt to the evolving demands of the market. To maintain competitiveness and drive growth within the contemporary hospitality sector, the Company has strategically implemented the following key initiatives:

1. **Enhancing Customer Experience:** The Company places great emphasis on creating unique experiences through service that exceeds expectations.
2. **Market Expansion:** The Company actively seeks new opportunities to expand its business both regionally and globally, particularly in high-potential markets such as Southeast Asia, the Middle East, and Africa.
3. **Sustainability:** In an era where sustainability is a critical factor for long-term success, Shangri-La has integrated ESG (Environmental, Social, and Governance) principles into its operational strategy.
4. **Talent Development:** Human resources are a core element in creating competitive advantage. The Company has invested in employee skill development programs to ensure that staff can meet customer needs professionally.
5. **Leveraging Data and Technology for Business Growth:** The Company utilizes data and analytics to enhance efficiency across all areas of its operations.

The strategies outlined above, combined with government policies that have implemented various initiatives to drive and promote the tourism and hospitality sectors, have significantly contributed to the Company's growth compared to the same period last year. To foster new opportunities and drive economic advancement, the Company remains focused on sustainable development. Shangri-La is not only a provider of accommodation services but also an integral part of the communities and environments in which it operates. The Company acknowledges that genuine success is not solely defined by financial performance but also by the positive contributions it makes to the world and its communities. Over the past year, the Company has implemented a range of initiatives designed to further its commitment to environmental, social, and governance (ESG) objectives.

Additionally, the Company has set long-term objectives to achieve carbon neutrality and remains steadfast in its commitment to advancing and refining its disaster management processes. This includes substantial investments in infrastructure that enhances resilience to natural disasters, as well as supporting environmental restoration initiatives,

such as the rehabilitation of water resources and the sustainable management of water. These efforts are designed to deliver mutual benefits to both the environment and society. The Company is dedicated to achieving a balance between business profitability and the creation of value for communities and the environment, while continually adapting to the evolving demands of the market. With steadfast commitment and collaboration from all stakeholders, the Company is confident that the hospitality and tourism sectors can play a pivotal role in fostering a stable economy and a sustainable society.

Results

The consolidated profit before corporate income tax for the financial year ended 31 December 2024 was Baht 554.5 million, representing an increase of Baht 231.0 million or 71.4% compared to Baht 323.5 million in the same period of 2023. As a result, the consolidated net profit attributable to the equity holders of the Company for the year ended 31 December 2024 was Baht 371.0 million, an increase of Baht 233.0 million or 168.8% from Baht 138.0 million in 2023. This resulted in earnings per share of Baht 2.85 in 2024, compared to Baht 1.06 in 2023.

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 Baht 199.0 million or 11.7%. Occupancy increased by 1.3% points. The Average Daily Rate ("ADR") increased by Baht 527.8 or 9.4%. Food and Beverage revenues increased by Baht 81.4 million or 13.6% and formed 35.8% of the hotel's total operating revenues.

• Shangri-La Hotel, Chiang Mai

Comparing to the previous year, the hotel's total operating revenues decreased by Baht 21.2 million or 4.6%. Occupancy was lower by 2.0% points. The ADR increased by Baht 283.5 or 6.4%. Food and Beverage revenues decreased by 20.6% and formed 27.5% of the hotel's total operating revenues.

In 2024, amid a rapidly evolving business landscape, the Company has sustained robust growth, with overall performance improving significantly, particularly in operating profits. This reflects its efficient management capabilities and well-aligned business strategies that effectively respond to market demands. The Company places great importance on laying the foundation for stable and sustainable growth while striving to create long-term shared value for both shareholders and stakeholders. Moreover, the Company is dedicated to promoting sustainable business practices by maintaining a balanced approach across three key dimensions: economic, social, and environmental. This commitment is underpinned by a strong corporate governance framework and adherence to international standards, ensuring exceptional customer experiences and continuous value creation for all stakeholders.

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

25 February 2025

Financial Highlights

(Million Baht)

Consolidated	2024	2023	2022
Total Assets	8,067.43	7,848.68	7,809.04
Total Liabilities	628.21	550.40	516.41
Shareholders' Equity	7,436.23	7,295.30	7,177.05
Revenues from Hotel Operations	2,334.88	2,157.04	1,175.90
Total Revenues	2,430.17	2,186.19	1,201.01
Gross Profit	1,600.71	1,480.21	727.79
Profit (Loss) before Income Tax	554.53	323.54	(68.17)
Net Profit (Loss) after Income Tax	370.96	137.99	(80.19)
Gross Profit Margin (%)	68.56%	68.62%	61.89 %
Net Profit (Loss) Margin (%)	15.26%	6.31%	(6.68) %
Return on Equity (%)	5.04%	1.91%	(1.12) %
Return on Assets (%)	4.66%	1.76%	(1.04) %
Assets Turnover (Times)	0.31	0.28	0.16
Book value per share (Baht)	57.20	56.12	55.21
Earnings (Loss) Per Share (Baht)	2.85	1.06	(0.62)
Dividend per share (Baht)	1.00	1.00	-

Awards and Certificates

For the year 2024, the Company received several awards and recognitions as follows:

Shangri-La Hotel, Bangkok

- Five-star Hotel Standard certified 2023-2025 by Department of Tourism (Ongoing since January 2023)
- The “ASEAN Green Hotel Standard Certificate 2024-2026” by the Ministry of Tourism and Sports, Thailand (Ongoing since November 2023)
- Ranked 9th in the Best Hotels in Bangkok on the “Conde Nast Traveler’s 2024 Readers’ Choice Awards”, 1 October 2024 by Conde Nast Traveler, US
- The TripAdvisor Travelers’ Choice Award Winner 2024 (May 2024)
- Ranked 23rd, the 2024 Top 50 Meeting Hotels in Asia-Pacific by Cvent Inc., a leading cloud-based enterprise event management company, US (16 May 2024)
- Volti Tuscan Grill & Bar, recognised by HELLO Taste Awards 2024 – Editor’s Choices, March 2024
- Chi, The Spa, honored as “Most Favorite Spa Hotel in Bangkok”, by Around Magazine Readers (21 June 2024)
- Shang Palace Chinese Restaurant: Lifestyle Asia – LSA Best Bites 2024 (September 2024)
- Shang Palace Chinese Restaurant, Chinese Dining Experience recognition from Lifestyle + Travel Awards 2024, by Lifestyle + Travel Magazine (October 2024)
- The “Best Wedding Location in Bangkok” Award at Praew The Best Wedding 2024 by Praew Wedding Magazine (18 December 2024)

Shangri-La Hotel, Chiang Mai

- ASEAN MICE Venue Standard (Meeting Room) Certified (AMVS), 2022- 2024 by Thailand Convention and Exhibition Bureau
- Thailand MICE Venue Standard Certified (TMVS) 2022- 2024 by Thailand Convention and Exhibition Bureau
- Five-star Hotel Standard certified 1 January 2022 - 31 December 2024 by Department of Tourism
- Healthy Products Services & Tourism 2024 award, by the Department of Health, Ministry of Public Health (29 November 2024)
- Green Health Hotel Quality Awards 2024 certificate, by the Department of Health, Ministry of Public Health (9 October 2024)
- TripAdvisor Travelers’ Choice Award (25 June 2024)
- China Kitchen Restaurant, selected in the MICHELIN Guide Thailand 2024
- China Kitchen Restaurant, TripAdvisor Travelers’ Choice Award (25 September 2024)
- Kad Kafe Restaurant, TripAdvisor Travelers’ Choice Award (25 September 2024)
- Trip. Best Premium Hotel Award 2024, by Trip.com
- Top Producing Hotel Award, May 2024 by Trip.com

Part **1** *Business Operation
and Operating Results*



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

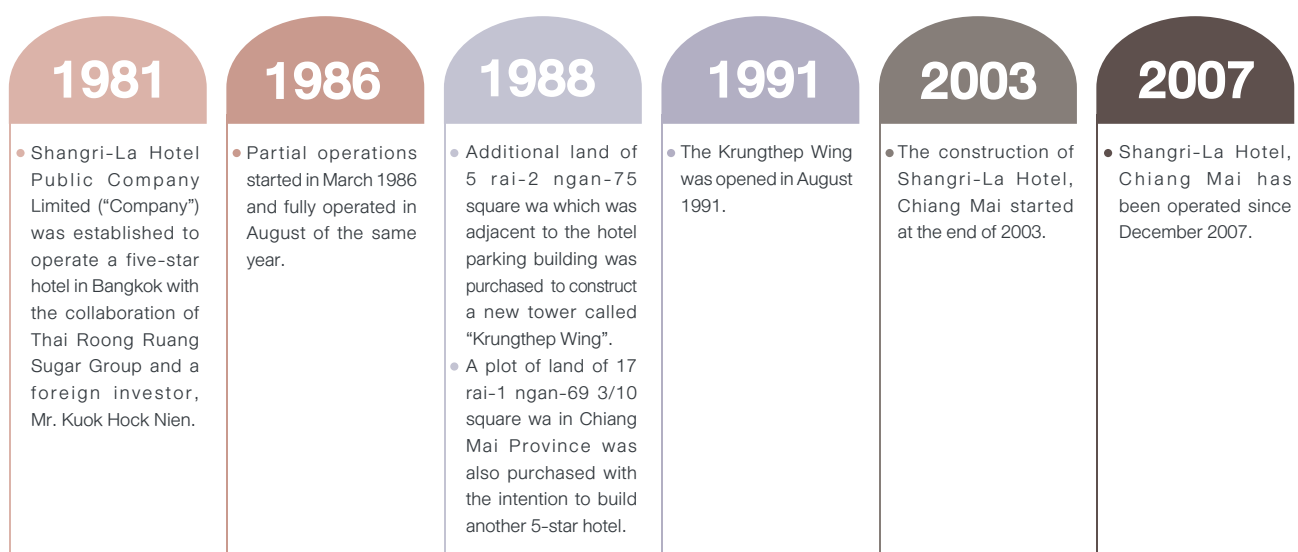
1.1 Policy and Operation of the Company

The Company has established clear policies and strategic directions for its business operations, aligning with the guidelines set forth by Shangri-La Group. These initiatives are designed to position the organization as the premier hospitality group, dedicated to fostering sustainable enjoyment of life's vibrant experiences, delivering empowering hospitality, uplifting local communities, and honoring the rich cultural heritage of Asia.

In 2024, the Company achieved satisfactory business performance, demonstrating growth in both occupancy rates and service revenue. This success was driven by strategies focused on delivering exceptional customer experiences and high-quality services. Additionally, the Company remains committed to development and expansion within the premium market segment across Asia and globally. These efforts have contributed to an increasing loyal customer base and enhanced brand recognition on an international scale.

In addition, the Company remains firmly committed to upholding ESG (Environmental, Social, Governance) principles, emphasizing transparent business management and a deep sense of responsibility toward society and the environment. The Company also prioritizes the development of employee capabilities, recognizing this as a pivotal factor in driving business success. Advancing the organization's ESG initiatives not only fortifies the business but also generates enduring value for shareholders over the long term.

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 2024, the following matters have been resolved:

• **At the Annual General Shareholders Meeting No. 1/2024 held on 26 April 2024:**

Mr. Christopher Phong Siew San was appointed as a new director and the authority of directors who are authorized to sign to bind the Company was amended as follows:

“Any two of Mr. Maris Pakdeetaveevivat and/or Mr. Christopher Phong Siew San 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, the total number of directors is 11 directors. Among the 11 directors, 4 of them are independent directors.

1. Mr. Maris Pakdeetaveevivat (Vice Chairman and Managing Director)
2. Mr. Christopher Phong Siew San
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. 4/2024 held on 11 November 2024:

Mr. Kovit Poshyananda has resigned from the position of the Independent Director and Chairman of Audit Committee of the Company due to health problem with effect from 1 December 2024.

Following the resignation of Mr. Kovit Poshyananda, the total number of directors is 10 directors. Among the 10 directors, 3 of them are independent directors.

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

Moreover, the total number of Audit Committee is 3 members as follows:

1. Mr. Jayavadh Bunnag
2. Mr. Kledchai Benjaathonsirikul
3. Mr. Supot Singhasaneh

Subsequent to the purchase of land for developing a new four-star hotel under the brand "Hotel Jen" (the "New Hotel Project"), 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. In case the Company decides on how 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 objective

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 9000 Facsimile: 0 2009 9992

Auditors

EY Office Limited

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

Telephone : 0 2264 9090 Facsimile: 0 2264 0789

Legal Adviser

Baker & McKenzie Ltd.

195 One Bangkok Tower 4, 30th-33rd Floors, Wireless Road, Lumpini, Pathum Wan, Bangkok 10330

Telephone : 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 Company Limited ("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. TRR-Kerry now has no business.

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 developed and operates Sule Shangri-La Hotel, 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 hotel business. The Hotel has closed since 1 February 2021.

2) Shangri-La Yangon Company Limited developed and operates 2 towers of serviced apartments, named Shangri-La Residences. Tower 1 was opened on 21 November 2013 and Tower 2 was opened on 21 October 2014. The 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, named Sule Square. The Project was opened to operate on 1 December 2016. The project comprises of a shopping mall, office units 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)	2024		2023		2022	
			Revenue		Revenue		Revenue	
			Million Baht	percent	Million Baht	percent	Million Baht	percent
Hotel and restaurant	Shangri-La Hotel Public Company Limited:-	100 %						
	- Revenues from hotel operations							
	- Room Revenue		1,409.33	57.99	1,281.45	58.62	620.89	51.70
	- Food & Beverage Revenue		798.75	32.87	748.68	34.25	458.42	38.17
	- Departmental Revenue		126.80	5.22	126.91	5.80	96.59	8.04
	- Other income		95.29	3.92	29.15	1.33	25.12	2.09
Total operating reviews			2,430.17	100.00	2,186.19	100.00	1,201.02	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 services which can be divided into 4 main parts:

1. Accommodation services
2. Food and beverage services
3. Meetings, events and conventions
4. Other services such as laundry, health club and spa.

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

- Shangri-La Yangon Company Limited

Shangri-La Yangon Company Limited is a company operating Shangri-La Residences, these are serviced apartments that are comprised of 2 Towers. There are 240 units in total.

- Traders Square Company Limited

Traders Square Company Limited is a company engaged in the rental business of retail tenants and office space branded as Sule Square Mall & Offices. The project consists of rental space for shopping center and offices.

- Town Development Company Limited, Apizaco Limited and Zukerman Limited

Investment Holding.

- Hasfield Holdings Pte Ltd and TRR-Kerry Development Co., Ltd.

Investment Holding and currently has no business operations.

- Traders Hotels & Resorts Limited

Dormant.

Business Innovation Development

The Tourism Authority of Thailand (TAT) has announced its marketing plan for 2024, emphasizing the continued goal of revitalizing and transforming Thai tourism. This marks the first year of advancing towards resilience, building on the achievements of the nation's reopening and recovery phases. The plan focuses on driving the tourism industry towards a New Tourism Ecosystem. Additionally, the initiative aligns with the IGNITE Thailand policy, which aims to position Thailand as a central Tourism Hub and a premier destination for travelers worldwide.

The communication strategy focuses on promoting Thailand as a central Tourism Hub and a premier Destination for global travelers under the concept of "5 Must Do in Thailand." This approach highlights the unique charm of five captivating regions in the country. Participants are invited to explore the diverse experiences of these regions through various activities, including Must Taste, Must Try, Must Buy, Must Seek and Must See.

In alignment with the government's marketing plan, the hotel industry enhances every step of the customer journey by facilitating seamless travel for tourists, promoting information to build a positive image, creating memorable experiences, and elevating safety standards.

The Company recognizes the importance of continuous service development. The newly launched e-Boutique allows members to use their points for online purchases, further enhancing the guest experience. Additionally, the hotel has piloted an AI function on its brand website that recommends packages and rates based on visitors' recent online

behavior. In addition, 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, the Company places significant emphasis on environmental concerns in response to the growing consumer demand. As a result, it has implemented changes and introduced innovations to reduce energy consumption in the hotel, aiming to lower costs while remaining environmentally friendly. Ensuring that the hotel's products and services are environmentally friendly, reducing waste generation, and utilizing technology to maintain a secure and hygienic environment for guests in all circumstances.

Particularly in the areas of health and safety, although the COVID-19 pandemic situation has significantly improved, the Company remains committed to upholding stringent hygiene protocols. All staff members undergo comprehensive training in effective cleaning and disinfection procedures, while handwashing stations and hand sanitizers are strategically placed throughout all service areas to ensure guest confidence and enhance their overall comfort.

The Company operates in the hotel industry, which is a service-based business that requires excellent business elements to maintain its leadership in the industry. These business elements not only focus on innovation in management but also emphasize creating new collaborative work models within the organization. The Company is committed to developing the potential of its experienced employees, who are regularly trained and adhere to the high standards of the Shangri-La Group, a global leader in the industry. Additionally, the Company prioritizes the tools, equipment, and amenities used in the hotel business. It has introduced new maintenance protocols to extend the lifespan of products and services, ensuring consistent care and maximizing their efficiency for the ultimate satisfaction of customers. This approach aims to position the hotel ahead of competitors in both the local area and the city. The Company also plans to upgrade its tools and equipment, such as the use of LED screens and High Lumens LCD, which support MICE (Meetings, Incentives, Conferences, Exhibitions) events. These improvements are intended to attract MICE clients, provide exceptional experiences, and ensure competitiveness in the global market.

The Company also places significant emphasis on developing a modern online platform to support accommodation bookings and additional services, organize promotions, and create packages that attract target customers. It leverages social media to communicate and publicize information to customers. The hotel encourages room reservations and raises awareness by using targeted messaging to stimulate booking decisions on the official hotel website (Shangri-La.com). This strategy is aimed at generating awareness, inspiring travel, and creating meaningful and valuable travel experiences. Additionally, the Company is expanding its sales channels through online systems, such as food and merchandise purchases via the hotel's website or online store, to enhance customer convenience by offering faster and more modern services. The online store (www.shangrila-eshop-bangkok.com) continues to provide seamless service for customers. The Company also introduces additional payment methods for room bookings and other hotel services, such as QR code scanning for payment, to offer greater convenience and efficiency for customers using the hotel's services.

The Company's management fully acknowledges the critical importance of continuous service development, emphasizing the integration of advanced technology and innovation to enhance the guest experience. Furthermore,

the Company fosters active participation across all departments in the development and formulation of strategies that ensure high-quality service delivery. This is achieved through initiatives such as the “Employee Feedback Program,” which encourages employees at all levels to share insights and experiences to identify improvements in service performance. The Company strives to implement positive changes by improving operational processes, introducing innovative activities to enhance efficiency, and reducing costs while securing sustainable revenue growth.

Through the integration of technology and innovation, the hotel is positioned to effectively address the changing needs of modern travelers and ensure the highest levels of guest satisfaction. Additionally, these advancements are fully aligned with the marketing strategies of the Tourism Authority of Thailand (TAT), including initiatives like the “Amazing Thailand Grand Tourism Year” in 2025, which aims to promote Thai tourism and support the long-term growth of the country’s tourism sector.

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.

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.

The Marketing and Promotion Agreement and the License Agreement were terminated on 31 December 2024. The Company has subsequently entered into a new arrangement with SLIM SG in provision of overall hotel management services under the Hotel Management Agreement (HMA) effective 1 January 2025. The HMA combines rights and restrictions of the Marketing and Promotion Agreement and the License Agreement into one agreement. The execution of the HMA was approved by the Board of Directors on 11 November 2024.

(2) Industry and Competition

Industry Situation and Business Competition – Thailand

The hotel industry is expected to continue improving from 2024 to 2026, driven by sustained government support and a return of foreign arrivals to near pre-pandemic levels of 30-40 million by 2025. Domestic tourism is also projected to reach 200 million trips annually by 2025. To address labor shortages in some areas and meet the demands of digital consumers, large operators are likely to increase investments in technology-driven services and eco-friendly hotels. Supply growth will be most pronounced in key tourist regions. The national occupancy rate is expected to stay above 70% in 2024.

However, in 2024, the recovery in foreign arrivals and overall demand has been less than expected. Ongoing geopolitical tensions, such as the prolonged conflict between Israel and Hamas in the Gaza Strip, have led to higher crude prices, increasing transportation costs and impacting global economic growth, which has dampened the foreign tourist market. Additionally, China's economy remained sluggish, and growth in the Chinese market underperformed, with Chinese tourists continuing to favor domestic travel.

The key aspects defining the current state of tourism in Thailand can be summoned in the following points:
Projected Tourist Arrival

Projected Tourist Arrival

Thailand is expected to attract an estimated 35 to 36 million international tourists in 2024, which aligns with the target set by the Tourism Authority of Thailand (TAT). This marks a substantial increase from the 28.0 million tourists in 2023 and is a clear indication of industry's recovery trajectory.

Economic Contribution

In 2024, the tourism industry contributed over 2.62 trillion baht to the Thai economy, representing a 25% increase from the previous year. Thailand received 36 million international tourists this year. The key factors driving Thailand's tourism revenue in 2024 are as follows:

- Ease of travel policy: relaxed visa requirements and longer stays for foreign visitors
- Increased international flight capacity: seat capacity of international routes recovered to 82% of pre-COVID levels

- Increased spending by tourist: the share of tourists spending increased, and spending on accommodation and other activities increased

Seasonal Variations

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 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.

Strategic Focus

The Thai government and tourism authorities are focusing on revitalizing the industry with a particular emphasis on increasing the number of international visitors, enhancing the quality of tourism experiences and promoting sustainable practices.

Increasing number of visitors:

- Visa exemptions to citizens of 93 countries for up to 63 days
- Removal of six immigration forms at 16 border crossings
- Increased airline capacity with international airlines added new routes and resumed existing ones.
- Promoting lesser-known cities that align with tourists' preferences

Improving travel experience:

- Hosting events like Amazing Thailand Countdown and the Maha Songkran World Water Festival
- Hosting concert featuring international artists
- Promoting attractions inspired by movies, TV shows, and music videos

Sustainable tourism:

- Promoting eco-friendly activities and resorts
- Promoting artificial intelligence, big data, and mobile apps to improve experience

• Shangri-La Hotel, Bangkok

Bangkok's hotel occupancy levels have experienced a consistent increase, reaching an impressive average occupancy rate of 72% for a luxury segment in 2024. This represents a significant growth of 4.3 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 64% to 80%. Even during the low season in 2024, 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.

Number of Competitors

The increase in demand from international visitors has led to a considerable rise in the rate of 6.7% increase compared to the previous year. In 2024, at least eleven new hotels opened in Bangkok, adding a total of 2,727 rooms from luxury to midscale segments. These hotels are The Ritz-Carlton (260 rooms), Dusit Thani (257 rooms), Hyatt Place Bangkok Sukhumvit (222 rooms), StandardX Hotel (62 rooms), Glow Riverside (126 rooms), Marriott Executive Apartments Sukhumvit (300 rooms), Nysa Hotel (264 rooms), TRIBE Living Sukhumvit 39 (272 rooms), Moxy Ratchaprasong (504 rooms) and Mercure Bangkok Surawong (219 rooms).

Bangkok's most anticipated openings- 2024 & 2025

- AMAN Nai Lert Bangkok (52 rooms)
- The Ritz Carlton Bangkok (260 rooms)
- Andaz One Bangkok (244 rooms)
- Dusit Thani Central Park (257 rooms)

Major Issues Affecting Competitiveness

After a strong performance rebound that began in 2023 and extended through the first half of 2024, the second half of the year saw foreign arrivals nearing full recovery, particularly during the high seasons in the fourth quarter. However, challenges persist, including rising operational costs and intensifying competition as many new hotels enter the market. While demand is on the rise, the influx of new properties and international brands will pressure existing hotels to innovate in service offering and pricing strategies to stay competitive.

Competitiveness/ Ability to Compete

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.

Economy and Political Situation

Political stability in Thailand will remain subject to risks under the current administration. The new government is expected to implement limited political reforms through constitutional amendments. Thailand's economy expanded by 2.5% in 2024, accelerating from a 2.0% growth in 2023, driven by increased private consumption supported by the government's populist policies and a continued recovery in the tourism sector. This growth is driven by a recovery in tourism and exports, as well as government stimulus measures.

Factors contributing to growth

- Tourism: The tourism sector is expected to recover, with international tourist arrivals projected to reach 36 million.
- Exports: Exports of goods and services are expected to grow.
- Government consumption: Government consumption and investment are expected to increase.
- Private consumption: Private consumption is expected to expand, reflecting sustained domestic demand.

Challenges

- Global trade wars and geopolitical tensions: These factors pose a significant risk to Thailand's economic recovery.
- Household debt: Thailand's household debt is elevated, which poses a risk to the economy.
- Political upheaval: Political upheaval, such as the dismissal of the Thai Prime Minister in August 2024, can impede the implementation of financial measures.

• Shangri-La Hotel, Chiang Mai

Number of Competitors

We updated our competitive set in July 2024 due to a non-compliance issue with STR rules. The comp set was revised from Melia, Anantara, Marriott, and dusitD2 (FY2023 RGI of 125.5) to Melia, Anantara, Marriott, and Mövenpick Suriwong (YTD November 2024 RGI of 107.9).

The change was necessary as Marriott, Melia, and dusitD2 are owned by AWC, which exceeded STR's competitive set composition rule. STR guidelines state that no single company can account for more than 70% of the total participating room supply in a competitive set.

Additionally, as of January 14, 2025, there are 2,424 hotels listed on Booking.com for the Chiang Mai market, highlighting the competitive landscape in the region.

Major Issues Affecting Competitiveness

Major challenges affecting Shangri-La Chiang Mai include competitors upgrading their hotels and meeting facilities with advanced technology. For example, Marriott offers 1,741 sqm. of function space, including 10 meeting rooms equipped with cutting-edge amenities such as a 14-meter-wide LED screen, high-quality built-in LCD projectors, wireless internet, and video conferencing capabilities. Similarly, InterContinental Chiang Mai provides comparable technology and facilities. Additionally, this hotel features natural daylight through floor-to-ceiling windows, as well as more outdoor venue options, enhancing the overall guest experience.

Competitiveness/Ability to compete

While our competitors have renovated their properties, adding modern technology, enhanced facilities for children, and advanced function spaces featuring LED screens, Shangri-La Chiang Mai continues to stand as the city's

premier five-star hotel. We offer the largest outdoor facilities for families and pride ourselves on delivering exceptional service. Our dedicated family concierge ensures a hassle-free and enjoyable stay, complemented by the city's largest free-form swimming pool, making us the ideal choice for families.

To further strengthen our position, we will enhance our focus on the family market while highlighting Lanna culture, reflected in our hotel's design and décor.

The hotel will also maintain its status as one of the leading MICE venues and top wedding destinations in Chiang Mai. As we anticipate a potential increase in demand exceeding the city's current hotel supply, we aim to solidify our standing in these key segments.

Additionally, recognizing the growing wellness market among leisure travelers, we see an exciting opportunity to explore and cater to this emerging segment.

Our Food and Beverage offerings have evolved into a 'social hotspot,' featuring a variety of engaging activities such as pool parties, guest chef appearances, and celebrity chef events. This year, we introduced the Epicurean Journey (French cuisine) to the city, which was met with an enthusiastic response from our guests.

Our outside catering service continues to compete effectively, catering to events of various sizes, particularly high-end, premium occasions.

The success of our croissants remains strong, and we have introduced a new line of pastry products to stimulate market demand in 2024. This initiative has further solidified the hotel's reputation as a popular bakery destination within the local community.

Additionally, leveraging the success of China Kitchen—recognized with a Michelin Plate in 2021-2022 and Michelin Recommended status during 2023-2024—has enhanced our appeal to a discerning audience, strengthening our position as a premier dining destination.

Economic and Political Situations

As per Bank of Thailand report in November 2024, the Thai economy slowed down from the previous month. Private consumption decreased after expanding well in the previous month due to the government cash transfer measures, in tandem with decreased activities in the trade sector. Private investment also declined in both machinery and equipment, as well as construction categories. However, tourism-related service sectors continued to expand, and exports of goods increased, particularly in exports of automobiles and agro-manufacturing products.

The number of foreign tourists, after seasonal adjustment, increased in November in several nationalities, notably tourists from India, Japan, and China, while Malaysian tourists temporarily decreased due to the flood situation in southern Thailand. Tourism revenue, after seasonally adjusted, decreased after a surge in the previous month, partly due to lower Russian tourists, whose spending per trip is high

Tourism is currently one of the key growth engines for the Thai economy. For 2024, it is expected that the number of foreign tourists would continue to grow. As for tourism receipt in the period ahead, it would depend on

tourists' spending pattern, which has changed from what was seen in the past. This is reflected in their total spending per day as well as how much is spent across different goods and services such as accommodation, food, and shopping. This was partly because tourists with lower spending per day made up a larger share of foreign tourists in Thailand, especially Malaysians. Meanwhile, the number of Chinese tourists, who have higher spending per day, has not returned to pre-COVID levels. Nonetheless, hotel businesses expect that foreign tourists would have higher spending in 2024. Forty percent of hotel businesses view that tourists would spend more on accommodation compared to the previous year. Thirty percent of hotel businesses view that tourists would spend more on other services such as spa and food and beverage compared to the previous year. Looking ahead, average daily spending is expected to increase partly due to the composition of foreign tourists. (the composition effect) The number of foreign tourists with higher spending would increase especially those from China and the Middle East. These two groups have an average daily spending of 6,118 baht per day during the pre-COVID period, The outlook for tourist spending but make up only 14.6% of all tourists in 2023. However, these two groups are expected to make up a larger share of foreign tourists in 2024 at 22.5% and eventually increase to pre-COVID levels at 29.2% going forward.

The overall economy in the Northern Region for 2024 from Bank of Thailand, the Northern region is experiencing a mixed economic picture with some positive aspects like strong export growth in certain sectors, particularly electronics, while facing challenges including a slight decline in tourism receipts, a decrease in private consumption, and a slowdown in manufacturing production, especially in the automotive sector; overall, the economy is showing signs of improvement compared to the previous quarter, supported by increased government spending.

12Go, a global online travel agency specializing in multi-modal itineraries across Asia and beyond, has identified emerging trends to help travelers choose the perfect destination for their trip to Thailand. Domestic travel is undergoing significant growth, increasing by 45% in 2024, highlighting the considerable shift in travel patterns. Bangkok is the main departure point for most domestic trips, with high traffic to popular destinations such as Chiang Mai and Pattaya. Routes such as Chiang Mai - Chiang Rai and Bangkok - Chiang Rai indicate an increasing interest in the serene landscapes and cultural heritage of Northern Thailand.

Industry Situation and Business Competition – Myanmar

• Sule Shangri-La Hotel

The hotel has been temporarily closed since 1 February 2021 primarily due to the unstable political situation in the country.

There are 5 hotels in our competitive set. With the exception of The Pullman, all the hotels are currently open although with much reduced occupancy levels and average rates due to lack of demand. As per STR report, 10 prominent hotels in Yangon subscribing to STR reported an average occupancy of 38% for 2024 with an ADR of USD 39. While the occupancy increased by 11% over 2023, the average rates declined by 10% for the same period resulting in no real growth in revenue performance.

- 1) Park Royal Yangon - 342 rooms
- 2) Chatrium Hotel Royal Lake Yangon - 300 rooms
- 3) Pan Pacific Yangon - 331 rooms
- 4) Pullman Yangon Centre Point - 289 remains closed

Other hotels open in Yangon include the Melia Hotel, Inya Lake, Novotel, Lotte and more recently the Sedona Hotel. The Sedona was sold by Keppel to Spring Blossom. Ventures in Singapore.

Hotels with a long stay product as part of their inventory compete directly with serviced apartments aiming to secure their base business from serviced apartments while they are accepting short stay businesses.

In the Downtown CBD, area where the Sule Shangri-La Hotel is located The Strand hotel and the Pullman remain closed and the Rosewood hotel has de-flagged their property and scheduled to operate as an independent brand – Eravati under the new ownership from end Jan 2025 with a reduced inventory of 50 rooms.

Other properties that have not opened include the Hoya Hotel, The Sheraton and the Sule Square by Marriott.

• Shangri-La Residences

Shangri-La Residences, Yangon are operational with an inventory of 240 units. Top supporters are predominantly from the Embassies, INGOs in Yangon who place their Expatriate team members at the Serviced apartments as it provides a high level of security in a “gated community”. There are also clients from multinational corporate companies. The profile of tenants is predominantly single status however there are 41 families with 62 children.

The Shangri-La Residences, Yangon competitor set is made up of the following 6 properties:

Golden Hill Tower Serviced Apartments (Japanese)	Primary competitor for Japanese market. This is a Japanese managed product.	210 Rooms
Lotte Serviced Apartments (Korea)	Key Competitor	315 Rooms
Mercure Yangon Kaba Aye	Mid-range Apartments	183 Rooms
Marina Residence	Locally Owned, Mid-range	128 Rooms
Sakura Residence (Japanese)	Mid-range, Japanese Managed	262 Rooms
Kantharyar Serviced Apartments (Chinese)	Mid-range Apartments	171 Rooms
Total		1,269 Rooms

• Sule Square

Sule Square was opened for commercial business on 1 December 2016. As at 31 December 2024, the total available leasable area for offices is 29,706 sqm and currently leased in 2024 is 20,272 sqm or 68.2%. Retail let table space is 5,276 sqm and currently leased in 2024 is 4,636 sqm or 87.9%

The Myanmar Economy & Political Situation

Myanmar's economic environment continues to deteriorate, marked by severe challenges including conflict, inflation, and natural disasters. The country experienced a GDP contraction of 1% in FY 2024-25, revising the earlier projection of 1% growth. Persistent macroeconomic instability, including exchange rate volatility and elevated inflation

(26% annually), continues to undermine economic recovery and household livelihoods. Country remains in FATF's blacklist.

Key Developments

Conflict and Displacement – Over 1.5 million additional people displaced since October 2023, increasing total IDPs to 3.5 million (6% of the population). Trade and logistics severely disrupted; 6 of 8 customs posts along the borders with China, India and Thailand remain closed.

Natural Disasters – Typhoon Yagi in September 2024 affected 2.4 million people and destroyed 3.5% of Myanmar's cropland, exacerbating food insecurity. Acute food insecurity now affects 25% of the population (14.3 million people), up from 10.7 million the previous year.

Inflation and Exchange Rate – The kyat depreciated 40% against the US dollar on parallel markets during early 2024, stabilizing in the latter half but fueling inflation. The spread between the official fixed reference rate and the parallel market rate had tripled in mid- 2024, to more than 50 percent before stabilizing but still uncertain, towards end of 2024. Multiple exchange rates are in effect between the official reference rate and the market rate, with persistent shortages of foreign currency at non-market rates. Essential food and fuel prices rose sharply, with a 60% increase in food prices reported by the WFP between April and September 2024.

Myanmar's political future remains unstable. Elections planned for 2025 may escalate conflicts. The clashes between the People's Defense Force PDF/ EROs and the military have been occurring in most of the country and keep increasing. Myanmar's State Administration Council (SAC) imposed martial law in a total of 61 townships are now under martial law. As of December 2024, resistance forces (68 towns in month of July) control 93 townships as of December 2024.

Marketing Strategies

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

• Shangri-La Hotel, Bangkok

Market indicators are trending upward as Bangkok's hotel sector is on track to surpass recovery. Bangkok's hotel market continues to show robust growth, with key performance indicators, especially the Revenue Per Available Room (RevPAR), improving across all segments. The luxury and upper-upscale segments will continue to lead to the recovery. Overall, this performance trend highlights the market's resilience and promising outlook for the hospitality sector.

– Targeting Customers

In year 2024, we continued to focus on the strong momentum on capturing the international travelling demand for business, leisure and MICE. The 2024 top targeted customers are 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 Bangkok placed a strong emphasis on creating engaging content for social media, particularly lifestyle-focused posts, to enhance brand visibility and connect with its audience. The hotel activated an AI personalization tool on its brand website, elevating the guest experience by offering tailored recommendations and content.

In December 2024, the hotel launched e-Boutique as a strategic initiative to generate incremental revenue while driving Shangri-La Circle (SLC) member engagement and spending. This evolved from the hotel's e-Shop (www.shangrila-eshop-bangkok.com), originally launched in December 2021, which has served as an online distribution channel for promotions, e-vouchers, and take-away/delivery products.

The hotel utilized a mix of organic social media, paid social media, and paid media campaigns to increase traffic and drive revenue to the official website (Shangri-La.com) and the e-Boutique. Call-to-action messages with tracking links were implemented across all Facebook and Instagram posts to promote room reservations, restaurant bookings, Chi, The Spa, Health Club e-vouchers, and other offerings. Additionally, Shangri-La Bangkok actively Monitored Search Engine Marketing (SEM), Metasearch, and Display Retargeting campaigns in collaboration with the Regional Digital Marketing team, effectively increasing online bookings from targeted markets.

– 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. ADR is showing 9.4 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 50 percent which came from booking made directly with the hotel by guests and for hotel's official website (Shangri-la.com). Another 23 percent made through online intermediary channels and Global Distribution System and 27 percent contributed from 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.

– Optimizing New and Old Platforms for Retail Business

In 2024, Shangri-La Bangkok leveraged both innovative and established platforms to optimize retail performance and drive significant revenue growth. The following key results highlight the success of these initiatives:

Personalization Tool on Brand.com – The hotel integrated an industry-shaping personalization platform developed by The Hotels Network on its Brand.com website. This tool enhanced the guest experience by delivering tailored recommendations and offers, resulting in a remarkable full-year revenue of 274 million baht for e-direct business.

TravelAds on Expedia – By utilizing TravelAds on Expedia, the hotel achieved outstanding results, with a 16:1 return on ad spend (ROAS) and an average rank of 2.34 in search visibility. With an investment of 1.4 million baht, the campaign generated 23.3 million baht in revenue, underscoring the effectiveness of targeted paid advertising.

Booking.com Sponsored Ads – The Sponsored Ads campaign on Booking.com also yielded positive results, with a spend of 0.3 million baht, leading to 342 room nights sold (RNS) and a total revenue of 2.4 million baht.

By optimizing the personalization tool on Brand.com and strategically managing paid advertising campaigns on Expedia and Booking.com, Shangri-La Bangkok successfully enhanced its retail business performance. These initiatives demonstrate the power of integrating cutting-edge tools with proven advertising platforms to maximize revenue and strengthen the hotel's competitive edge in the hospitality industry.

• Shangri-La Hotel, Chiang Mai

The hotel's strategies in 2024 have evolved multiple times due to a shortfall in MICE business, which saw slower demand compared to the previous year. As a result, the hotel focused on increasing individual travelers across all segments, achieving an 8% revenue growth in the individual segment, surpassing our budget.

The hotel concentrated on the Retail, Shangri-La Circle, Package, and Wholesale segments, while group business continued to be a mainstay, particularly from domestic and regional markets such as Singapore, Taiwan, and Korea.

This year, Food and Beverage revenue fell short, both in banquets and outlets, due to a slowdown in group bookings and catering, resulting in a -17.5% variance compared to the budget. The social segment remained a key focus for the hotel, with functions and social events throughout the year, utilizing the outdoor function area and offering competitive pricing.

- Targeting Customers

The key feeder markets for both individual travelers and groups remained Korea, facilitated by direct flights to Chiang Mai. However, China continued to be one of our primary markets for both individual and group business, thanks to an increase in flights to Chiang Mai this year. Additionally, markets such as Taiwan, the USA, Singapore, Malaysia, the UK, and travelers arriving via Bangkok—including those from Europe, the Middle East, and Australia—contributed to our growth. The Thai market also remained a key contributor across all segments for the hotel.

- Focusing on pushing for cash flow from domestic marketing

The hotel remains committed to enhancing cash flow through domestic marketing efforts. It has successfully captured market share from competitors by promoting direct bookings through initiatives like flash sales and distributing gift vouchers across various channels.

- Digital Marketing

The hotel has actively promoted its presence on social media and various online platforms, including OTAs, recognizing their pivotal role in generating higher revenues. This year, we have placed greater focus on collaborating with influencers and KOLs from different markets to promote on their platforms and repost on our own social media channels. 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 focuses on retail operations, including direct sales to customers, partnerships with online platforms, and offering packaged deals. Additionally, targeted seminars are organized to drive room bookings. This year, the primary focus is on group business, fueled by sustained demand for hosting conferences and seminars, particularly international events in the region.

- Promoting food and beverage sales

Generating cash flow, especially during low room demand periods, is essential. The hotel strategically enhances revenue through food and beverage sales, including selling croissants at shopping malls, and expanding its range of products and services. This also involves extending restaurant hours and employing a full team of specialty chefs in each venue, including Chinese and pastry chefs. Our Food and Beverage offerings have become a 'social hotspot,' featuring engaging activities like pool parties, guest chef appearances, and celebrity chef events. This year, we introduced the Epicurean Journey (French cuisine) to the city, which was met with an enthusiastic response from our guests.

- Focusing on banquets and seminars

The hotel hosts large international seminars and focuses on encouraging customers to use our services for organizing various parties and ceremonies throughout the year, including outdoor events. Additionally, we emphasize building relationships with repeat customers and partnering with event and wedding planners.

- Pricing Policy – Tier Pricing and Yield Management

In 2024, pricing was slightly increased in certain months, particularly during the last quarter and festive periods, resulting in an overall 2.8% increase in Average Daily Rate (ADR), surpassing the budget. This growth was driven by both FIT and group bookings. Given that group meetings are the core segment for Shangri-La Hotel, Chiang Mai, adopting flexible pricing was essential. For international markets, ADR was further boosted during festive periods through rate optimization, a strategy aligned with competitors who were also adjusting their pricing this year. However, the average check for food and beverage decreased by 6.4% due to slow demand and intense market competition.

- Distribution and Sales Channels

In 2024, we continue to monitor and maintain rate parity across all selling channels to prevent guest confusion. The Fornova DSH score for YTD November is 80, indicating a healthy score level. We aim to drive direct bookings and enhance our loyalty program by offering exclusive deals and providing unique experiences to guests, positioning ourselves competitively against our comp set and OTAs.

• Sule Shangri-La Hotel

Sule Shangri-La Hotel is budgeted to remain closed for 2025.

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 and 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 Residences and the demands from our three entities. In addition, the Laundry services six external contracts.

• Shangri-La Residences

Particulars	2024 YE Actual	2023 YE Actual
Occupancy rate (percent)	50.9%	52.0%
Monthly average rental rate (MAR) (USD)	4,063	4,134
Gross operating revenue (GOR) (USD)	6,128,451	6,350,939

Apartment Supply

- The average occupancy rate for Premium-grade serviced apartments is at 52 % as of FY 2024.
- 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 that supports the Embassy residential area of Yangon. Pun Hlaing is another suburb area of Yangon patronized by Expats for villa styled lifestyle living in with a 18 hole Golf course, a resort & a modern Hospital.

- 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 on-line FX trading rate which currently is 1 USD = 3500 Kyats. Previously in 2023, it was CBM reference rate of 1 US\$ = 2100 Kyats.

Strategy

Shangri-La Residences continues to uphold its strong market position as a preferred choice, particularly for family stays. This reputation is driven by its spacious accommodations, tranquil environment, and unwavering commitment to safety and peace of mind, supported by 24-hour generator power backup. These features, combined with the renowned Shangri-La friendly service, make it as a considered option for expatriates seeking accommodation solutions in Yangon.

Overall Strategy

- Retention of existing tenants and acquiring new business with flexible pricing as per market conditions and driving occupancies.

- Use the recently commissioned Golf driving practice range to attract new long stay business especially from Japanese & Korean nationalities. Using chamber of commerce to advertise.
- Drive short-stay business through e-direct channels as well as connected OTAs and GDS.
- Increased digital marketing activity to improve visibility and drive leads on Facebook – both for short stay Staycation business and for long stay leads.
- Increased collaboration with Shangri-La's global and regional sales to secure inclusion in Corporate Travel programs (RFPs).
- Since our two bedrooms have high occupancy, the strategy is to upgrade long-stays to three-bedroom apartments, making smaller unit's available free sell.
- Maintain a pricing strategy to prevent conflict and price parity issues as we pursue both long stay and short stay businesses simultaneously.
- Leverage barter collaborations with influencers to promote our business and increase brand visibility.
- To grow business from indirect sales channels, develop, and build relationships with real estate agents.
- Continue local networking through the various Chambers of Commerce present such as like MHKCCI, BritCham, SAM, and TBAM.

Retention of existing business:

- Renewals to be in line with market situation and customization on a case to case with value add-ons such as including SLC points, Hotel Credits, Laundry and F&B Credits.
- Continue collaborations that benefit our residents with other facilities like the Sule Square outlets offering discounts to our residents and such similar tie-up.

• Sule Square

Marketing Situation

- The office rental market remains tenant-driven, requiring landlords to offer rates that are attractive and aligned with the current market.
- In 2024, Times city Office Tower-1 (20,320 sqm.) were added.
- 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.
- 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.
- In the market the average rental rate for Grade-A offices is USD 20 per sqm, Sule Square average office rental rate stands at USD 21.7 per square meter (YTD- 2024).

Strategy for Office

- Sule Square is classified as a Grade A building and the average office rent is USD \$21.7 per sqm (2024).
- As of FY 2024, the city-wide occupancy rates stabilized at 65% for Grade-A buildings..
- Target tenants of Grade B buildings, stand-alone houses and office towers within a 2 km. radius offering services that are uninterrupted during load shedding.

- Continue to focus on Shipping & Logistics consulting, and trading companies which are located near the port and our office location.

Retention

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

– Sule Square Retail Space Leasing

Marketing Situation

The retail sector has seen improved tenant occupancy as well as an increased in footfall. The hot weather and exodus of many standalone F&B operations from the Yangon CBD post-coup drove many of the local F&B operators to take advantage of a gap in the market and re-establish themselves in shopping malls. Myanmar families made visiting shopping malls over weekends a regular “family outing”. In these malls they could find covered parking, escape from the heat and enjoy air-conditioning.

There is now a much wider range of cheap “family favorite” local food outlets available in these large retail malls that also offer under-cover parking. Long ques can be seen at Myanmar Family favorite venues such as Bread Talk, Shwe Palin, and YKKO throughout the day. Cinema venues are full.

It is not easy to obtain import permits for luxury goods and generally the retail market has had to face fluctuating currency challenges. Tenants currently operating in shopping centers have had to deal with changes in consumer behavior however landlords have been flexible, and quick to respond establishing concessions with individual retailers to retain them.

Consumers are spending mainly on essential items like food and clothing. It can be observed that expensive brand outlets cannot easily obtain the necessary import permits.

The Korean development Inno City (7,000 sqm) is located out of the main CBD area on Parami Road has joined the market in 2023 as well as ‘Blooms’ – the retail mall of M-Tower (5000sqm)

Strategy for Retail

The average rental is USD 20 per sq.m. (FY 2024). Rebate program introduced during covid has now been closed and rates contracted afresh. Rental rates are likely to remain low and fiercely competitive in 2025. Sule Square customer footfall has improved and aligned with 2019 levels.

Retail occupancy in 2024 improved to 85%.

Retention

- Increased annual events activity to drive footfall using the basement space.

(3) Procurement of Products and Services

The Company maintains a policy of procuring products and services from multiple suppliers, both domestic and international, in order to mitigate reliance on any single supplier. This procurement is conducted in collaboration with subsidiaries within the Shangri-La Hotel Group. Recognizing the inflation risks in 2025, the Company plans to enter into contracts for the purchase of goods and services, ensuring fixed pricing, quantities, and quality for both the short and long term.

The Company continually selects and evaluates suppliers to ensure they meet specified criteria and conducts thorough quality inspections with each delivery to guarantee the receipt of high-quality products.

In the selection of new business partners, the Company prioritizes sourcing suppliers from the local community, thereby fostering local economic activity, supporting the development of suppliers, and enhancing employment opportunities both directly and indirectly. This strategy also serves to reduce operational and transportation costs.

When potential new business partners emerge, the Company requires prospective partners to perform a self-assessment on sustainability, using environmental criteria and evaluating the social compliance standards of goods and service suppliers.

For existing suppliers, the Company conducts an evaluation to categorize them into high, medium, or low tiers, based on their awareness and management of environmental and social engagement. The supplier ratings are utilized in the decision-making process for awarding contracts and approving new qualified suppliers. This strategy is intended to cultivate strong, collaborative relationships between the Company and its suppliers, working together to enhance social standards and regulatory compliance. Ultimately, this approach aims to contribute to the development of a sustainable supply chain.

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, 2024, the Company has a total of 963 full-time employees, including 746 employees of Shangri-La Hotel, Bangkok and 217 employees of Shangri-La Hotel, Chiang Mai. The detailed breakdown of the Company's workforce, classified by department, is provided in the table below.

(unit: person)

Department	Shangri-La Hotel, Bangkok		Shangri-La Hotel, Chiang Mai	
	2024	2023	2024	2023
- Operations employees	652	633	172	172
- Office employees	94	92	45	38
Total	746	725	217	210

(4) Assets used in Business Operations

From the separate financial statements as at 31 December 2024, the Company's property, plant and equipment were 3,113.59 million Baht representing 42.65% of total assets which are mainly consist of:

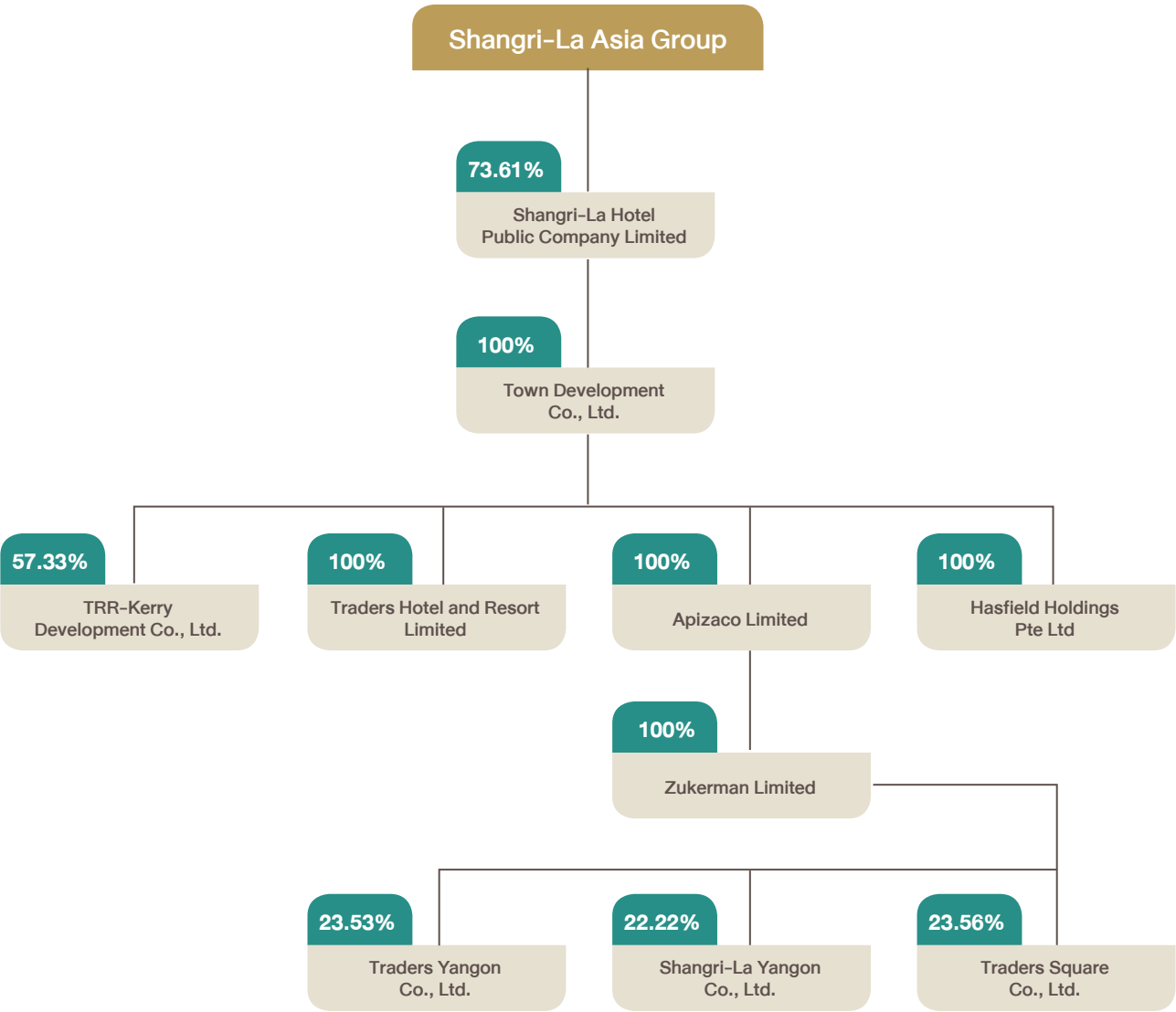
Assets	Ownership	Encumbrances	Book Value as of 31 December 2024
1 Land for operations of Shangri-La Hotel, Bangkok, area of 17 rai, 5 ngan, 23 square wah, located at Soi Wat Suan Plu, New Road, Bangrak, Bangkok	Company owned	No	385.95 million Baht
2 Land for the New Hotel Project consists of area 657.50 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 million Baht
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 million Baht
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 million Baht
5 Building located at Changkhan Road, Muang District, Chiang Mai	Company owned	No	244.09 million Baht
6 Machinery and building equipment of Shangri-La Hotel, Bangkok	Company owned	No	90.84 million Baht
7 Machinery and building equipment of Shangri-La Hotel, Chiang Mai	Company owned	No	6.83 million Baht
8 Furniture, fixtures, equipment and computer of Shangri-La Hotel, Bangkok	Company owned	No	65.84 million Baht
9 Furniture, fixtures, equipment and computer of Shangri-La Hotel, Chiang Mai	Company owned	No	32.25 million Baht

Intangible Assets

Intangible assets consist of computer software. The book value of intangible assets as of 31 December 2024 of Shangri-La Hotel, Bangkok and Shangri-La Hotel, Chiang Mai are 1.09 million Baht and 0.22 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 Soi Wat Suan Plu, New Road, Bangrak, Bangkok, Thailand Telephone: (66) 2236 7777	3.61 Million Baht	Investment Holdings
3. Traders Hotel and Resort Limited No. 89 Soi Wat Suan Plu, New Road, Bangrak, Bangkok, Thailand Telephone: (66) 2236 7777	0.2 Million Baht	Dormant
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 #07-01, Singapore Telephone: (65) 6918 5660	SGD 34.22 Million	Investment Holdings
6. Zukerman Limited No. 1 Kim Seng Promenade, Great World City #05-02, Singapore Telephone: (65) 6918 5660	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 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 trading 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 14 March 2024 (which was the latest record date on which shareholders have the right to attend and vote at the Annual General Meeting No.1/2024) 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 2024, the registered capital and issued capital stand at 1,300 million Baht, divided into 130 million common 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 and consolidated financial statements. 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 various 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 617,396,170 Baht for the year ended 31 December 2024, Board of Directors' Meeting No. 1/2025, which was held on 24 February 2025 resolved that the declaration of the annual dividend payment for the operation of the Company from 1 January to 31 December 2024 at the rate of 1 Baht per share for 130,000,000 ordinary shares amounting to 130,000,000 Baht, representing 21.1% of 2024 Company's net profit, which will be payable to shareholders of the Company on 27 May 2025, be recommended to the Shareholders for approval at the Annual General Meeting of Shareholders scheduled to be held on 29 April 2025.

The comparison of dividend payment for year 2023, 2022 and 2021 are as follows:

Particular	Financial Year		
	2023	2022	2021
Net profit (loss) in the separate financial statements (Baht)	539,088,650	25,583,448	(361,245,022)
Number of issued shares (Shares)	130,000,000	130,000,000	130,000,000
Dividend per share (Baht/Share)	1	-	-
Total dividend payment (Baht)	130,000,000	-	-
Dividend payment as percentage to net profit (percent)	24.1%	-	-

2. Risk Management

2.1 Policy and Risk Management Plan

Shangri-La's Integrated Assurance Framework ("IAF")

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 and procedures (P&Ps), including risk management processes. These P&Ps are regularly reviewed and updated to reflect changes in order 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.



2.2 Risk Factors on Business Operation

Risk	Risk Factors on Business Operation	Environmental, social and governance risks (ESG Risk)
1. Shifts in Product Demand – Competition and Consumer Behavior Changes	✓	
2. Business Disruption	✓	
3. Financing	✓	
4. Regulatory and Compliance	✓	✓
5. Cybersecurity	✓	✓
6. Climate Change	✓	
7. Fraud and Corruption	✓	✓

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

The tourism industry in Thailand is continuing its recovery in 2024 following the COVID-19 pandemic. This recovery not only depends on the increase in tourist numbers but also involves the expansion of the lifestyle tourism trend, which has helped position Thailand as a leading destination for travelers seeking experiences that reflect unique lifestyles and identities.

According to Colliers Thailand, during the decade prior to the pandemic (2009-2018), the total value of hotel transactions in Thailand reached 120 billion baht, with 2017-2018 seeing an average annual transaction value of 20 billion baht. This reflects the growth of the tourism industry and strong interest from both domestic and international investors. Following the easing of the COVID-19 pandemic, the hotel transaction market has regained momentum, with total transactions reaching 5.67 billion baht in the first half of 2024. It is expected to reach 15 billion baht by the end of 2024, a 24% increase compared to the average during 2009-2018.

The growth and intense competition in the hotel industry have prompted operators to adjust their strategies accordingly, such as creating differentiation and uniqueness, obtaining Green Hotel certification to meet the demands of environmentally-conscious travelers, and integrating technology to improve efficiency and reduce costs. Additionally, alternative revenue streams are being developed to address the changing needs of consumers, particularly in the food and beverage sector.

At Shangri-La Hotel, Bangkok, the hotel has adapted to the intense competition by offering distinctive experiences, such as the “Enchanted Wonders” program for the 2024-2025 Christmas and New Year season, as well as the annual Loy Krathong Festival celebrations in 2024. Additionally, the hotel offers festive items during various festivals, such as rice dumplings for the Dumpling Festival, catering to travelers seeking new and unique experiences.

While the hotel industry is confronted with intense competition, the ability to adapt and align with global trends in sustainability and technology will serve as critical factors in allowing Shangri-La Hotel to sustain its competitive advantage and effectively address the evolving needs of its customers.

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.

The Company has established a clear and comprehensive business plan, placing a significant emphasis on thorough market and competitor analysis while formulating appropriate strategic approaches. This includes evaluating key suppliers to enhance the accuracy of information regarding various situations in collaboration with business partners. Additionally, the Company assesses potential impacts on the supply chain and implements a business continuity plan to evaluate risks that may affect operations, such as natural disasters, disease outbreaks, or political instability. This plan encompasses emergency response measures, the management of critical systems, and the implementation of insurance policies to mitigate the impact of disasters and operational disruptions, including property and business interruption insurance. Furthermore, continuous monitoring and evaluation of both internal and external risks are conducted, with regular updates and reviews to ensure that risk levels remain within acceptable thresholds. These efforts enable the efficient allocation of resources, the systematic assessment of risks, and the implementation of appropriate mitigation measures.

3. Financing

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.

In order to manage risks effectively, Shangri-La Group has implemented strategic adjustments, including the bulk procurement of raw materials to optimize cost efficiency, securing Green Loans, and issuing long-term bonds. Additionally, the hotel has expanded its target market to regions with stronger currencies, such as the Middle East and Europe.

4. Regulatory and Compliance

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, this also encompasses the laws and ESG (Environmental, Social, and Governance) regulations, which are pivotal to the Company's business operations. 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.

Nonetheless, the Company remains committed to continuously monitoring legislative changes or the enactment of new laws that are periodically enforced, ensuring that such developments do not adversely affect its reputation, financial standing, customer relationships, or its capacity to sustain competitiveness, credibility, and long-term organizational sustainability.

5. Cybersecurity

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.

There has been a noticeable increase in cyberattacks over the past few years. 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 business and customer confidential information being leaked or lost. To mitigate this risk, the Company has invested in information security systems, including (1) the installation of firewalls, (2) the implementation of antivirus protection, (3) conducting penetration testing on the organization's core applications, and (4) establishing access control measures. The Company will conduct regular reviews and updates of these measures to ensure their continued relevance and adequacy in supporting the Company's operations. Additionally, employees will undergo comprehensive cybersecurity training to enhance awareness and fortify their capabilities in preventing and responding to emerging threats.

6. Climate Change

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. The cumulative effect of these activities results in an elevated presence of greenhouse gases or global warming. In 2024, Thailand is facing the impacts of climate change, including flooding and drought, which pose challenges for the hotel industry.

Shangri-La Chiang Mai has been affected by flooding but has managed to cope effectively with its efficient drainage systems, including water pumps and 1.8 - meter high flood barriers to protect critical areas. However, the uncertainty of future climate conditions may lead to more severe flooding, necessitating the development and update of emergency plans and regular staff training and carry out simulations to address climate change impacts. Collaboration from all sectors is crucial to ensure sustainable solutions to this issue.

Recognising the importance of addressing greenhouse gas emissions, we conducted a comprehensive assessment of output this year, significantly enhancing our carbon disclosure. This granular understanding of our value chain's carbon footprint allows us to identify actionable opportunities for further reductions and underscores our wider commitment to limiting emissions.

At a Group level, we have updated commitment to reduce carbon emission intensity by 23% by 2030, using 2019 as our baseline. We are also evaluating the feasibility of adopting a net-zero carbon emissions goal in line with the Science Based Targets initiative (SBTi) and exploring the implementation of a carbon credits programme. Updates on these endeavours will be detailed in future sustainability reports.

7. Fraud and Corruption

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. The absence of effective corporate governance could pose 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. The Company upholds a comprehensive anti-corruption and anti-bribery policy that spans all facets of its operations, prioritizing transparency in transactions and decision-making processes. All employees, at every level, undergo training on anti-corruption measures, bribery prevention, and the proper management of situations involving corrupt practices which promote a zero-tolerance environment for fraud and corruption.

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 2024, 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

The Company has implemented the Shangri-La Group's sustainability policy in its operations, emphasizing the balance between economic growth, social responsibility, and environmental care. The Company believes that operations which consider all stakeholders will lead to long-term shared sustainability and help build trust among all groups of stakeholders. Additionally, the Company aims to play a key role in driving the service industry toward sustainable growth, creating a positive impact on the communities in which it operates, and inspiring positive change on a global scale, while simultaneously ensuring environmental responsibility, community development, and the preservation of cultural heritage.

ESG Vision

"We aim to be the best-loved hospitality group by hosting people to the colorful joys of life in a sustainable manner, delivering hospitality that empowers our people, uplifts local communities, nurtures the planet, and celebrates Asian heritage."

The Company has introduced the "ESG Framework – Triple S," which is in alignment with the Shangri-La Group's ESG strategy. This framework emphasizes sustainable operations across the economic, social, and environmental dimensions, while ensuring a balanced approach to the diverse interests of stakeholders. The goal is to generate a sustainable and positive impact on local communities in all regions where the Company operates.

In alignment with the ESG strategy, the Company places significant emphasis on delivering the optimal experience under the concept of Stay, Savour, and Shine in collaboration with Shangri-La. The Company's ESG strategy is reinforced by robust corporate governance, concentrating on critical issues that are pertinent to both the business and its stakeholders. To operationalize this ESG vision, the Company has implemented the Triple S ESG strategy as the foundational framework for ensuring sustainable practices across all areas, including environmental stewardship, social responsibility, and corporate governance.

- STAY: STAY with us and experience the colorful joys in a sustainable manner curated by Shangri-La.
- SAVOUR: SAVOUR safe, healthy and delicious food and memorable experiences that are sustainably sourced and created.
- SHINE: Enable our colleagues, guests, suppliers and communities to unleash their potential and SHINE.
- GOVERNANCE: Do the right thing in the right way with integrity

Additionally, the Company is dedicated to fostering a better future by strengthening the capabilities of its workforce, enhancing the quality of life within communities, safeguarding the environment, and honoring the cultural heritage of Asia. This commitment is pursued while adhering to international standards and respecting local traditions, ensuring the Company fulfills its responsibility as an organization that is genuinely accountable to both society and the environment.

3.2 Effective Stakeholder Impact Management across the Business Value Chain

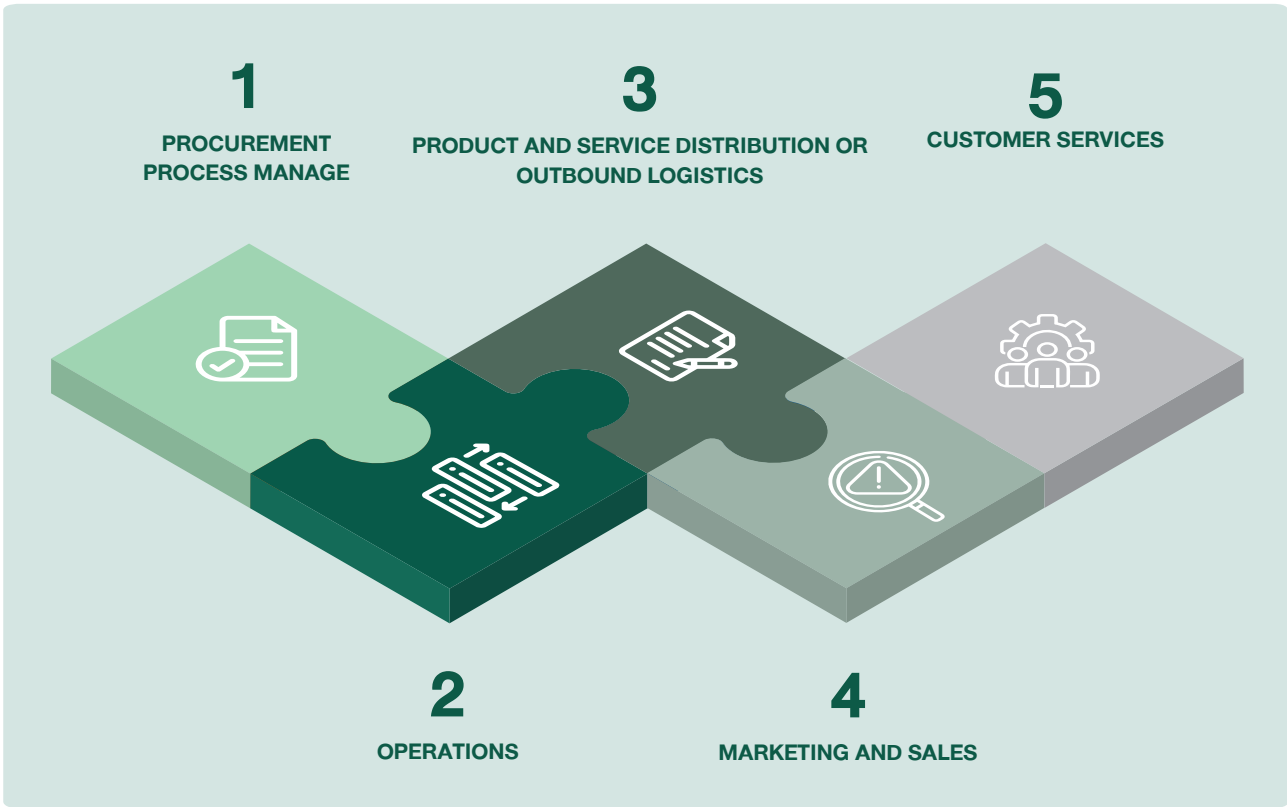
3.2.1 Business Value Chain

The Company engages in the hospitality and related services industry, with its offerings categorized into four key sectors: accommodation services, food and beverage services, banquet and conference facilities, as well as

additional services including laundry, wellness centers, and spa facilities. These services are meticulously designed to cater to the varied needs and preferences of customers, ensuring comprehensive and high-quality experiences across all aspects.

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 procurement of raw materials, materials, equipment, and fixed assets used in the Company’s operations is conducted in accordance with corporate governance principles. Emphasis is placed on selecting high-quality, safe materials that meet relevant standards and certifications, with a particular focus on sourcing local products at fair prices. Additionally, there is a strong commitment to utilizing resources efficiently, in order to reduce unnecessary costs and promote sustainability throughout all procurement processes.

2. Operations

Internal hotel management is carried out to ensure the efficient delivery of services and products. The focus is on developing new innovations to enhance operational processes, ensuring accuracy, speed, and precision. This

approach aims to build customer trust and satisfaction, particularly in meeting the diverse needs of customers in the present era.

3. Product and Service Distribution or Outbound Logistics

The Company places great emphasis on delivering high-quality products and services with safety to customers, while ensuring compliance with relevant laws and regulations. This includes strict management of environmental issues, workplace safety, occupational health, and the protection of human rights.

4. Marketing and Sales

The Company is dedicated to delivering superior customer experiences by prioritizing efficient communication through digital media, online platforms, and various social media channels, thereby expanding its reach to target audiences both domestically and internationally. It ensures that pricing for food and accommodation is appropriately set, while providing accurate, comprehensive, and transparent information regarding its services. Moreover, the Company is committed to the ongoing development and refinement of its room booking channels, service package offerings, and special promotions, ensuring they are aligned with the evolving behaviors and preferences of contemporary customers and effectively meeting the diverse needs of all customer segments.

5. Customer Services

The Company places significant emphasis on customer satisfaction, aiming to build and continuously enhance strong relationships with customers. This is achieved through the establishment of dedicated departments and personnel responsible for directly receiving feedback and suggestions regarding products and services from customers. This feedback is then utilized to improve and develop service quality to meet the expectations of customers.

Support Activities

As the Company's operations are intrinsically linked to the provision of services that rely on personnel as a key driver of sustainable growth, the Company places significant emphasis on the recruitment process. This focus is on selecting candidates who not only possess the requisite qualifications and skills but also align with the organizational culture, ensuring their ability to effectively contribute to the company's growth. In addition, the Company is committed to supporting and fostering the continuous development of relevant knowledge and skills to ensure the highest standards of service and product quality, thus fulfilling customer expectations. Additionally, the Company prioritizes the establishment and adherence to rigorous standards and quality frameworks to continually elevate its service offerings.

- 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 critical importance of all stakeholders who play an essential role in supporting the organization's operations in achieving its objectives and fostering sustainable growth. The Company is committed to establishing effective collaborations with stakeholders to maximize mutual benefits for all parties involved, in alignment with the principles of sound corporate governance, operational effectiveness, and respect for rights. The Company ensures that all stakeholders are treated with fairness and equality, while upholding transparency, ethical conduct, and adherence to a code of ethics that is consistent with the organization's core values.

The Company adheres to the internationally recognized AA1000 Stakeholder Engagement Standards (AA1000SES) in identifying stakeholder groups, analyzing their relevance within the value chain, and assessing their needs, expectations, and the impacts they have on the Company's operations. This approach allows for the evaluation and prioritization of issues, ensuring that the Company develops practices that effectively address the distinct needs and expectations of each stakeholder group. These practices are communicated through efficient and transparent channels aimed at maximizing stakeholder satisfaction. The stakeholders are classified into six primary groups: shareholders and investors, employees, customers, business partners, government agencies, and local communities.

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

3.3 Sustainability Management in the Economic Dimension

3.3.1 Economic Policy and Guideline

The Company continues to place a strong emphasis on expanding the breadth and comprehensiveness of its service offerings by actively seeking new business partnerships that foster business growth and enhance its ability to penetrate international markets, particularly in countries with significant current economic growth potential. This approach is aimed at strengthening profitability and long-term competitive capacity. The Company attaches high importance to optimizing the efficiency of its value chain management and internal operations, while ensuring responsiveness to rapidly changing economic conditions in order to adapt to global and regional economic expansion trends. Additionally, the Company underscores the importance of sustainable economic management, focusing on the efficient use of resources, the reduction of unnecessary costs, and the creation of added value throughout every business process. The Company is also committed to developing strategies that support long-term

economic growth, which includes promoting the local economy through employment opportunities, supporting local producers, and contributing to the sustainable development of communities. The Company operates with a firm adherence to the principles of good corporate governance, transparency, accountability, and strict compliance with applicable laws and regulations, including rigorous enforcement of ESG (Environmental, Social, and Governance) standards. Additionally, the Company places significant emphasis on equitable benefit-sharing with all stakeholders, ensuring that the needs of current customers and the market are met in a balanced manner while simultaneously fostering sustainable long-term business growth.

3.3.2 Sustainability Performance Results on the Economic Dimension

The Company conducts its business in accordance with the principle of “Sustainable Business Practices,” focusing on achieving stable and sustainable growth while promoting efficient resource management and creating value for all stakeholders. It fosters strong relationships with business partners and suppliers by prioritizing the use of quality resources at reasonable prices and strictly adhering to the company’s procurement policies. This approach aims to enhance procurement standards and reduce risks in operations that impact the environment. Additionally, the Company supports local businesses and promotes community development, which contributes to the sustainable growth of the hotel’s economy. In terms of human resource management, the Company continuously develops employees’ skills and potential to enhance their ability to provide high-quality services. This results in employees creating long-term value for both customers and the organization.

3.4 Sustainability Management in the Environmental Dimension

3.4.1 Environmental Policy and Guideline

The Company acknowledges the critical importance of conducting its operations in accordance with the principles of Environmental, Social, and Governance (ESG), which emphasize the equilibrium between sustainable financial performance, social responsibility, and environmental preservation. With a strong commitment to minimizing its environmental footprint, the Company has implemented clear and well-defined policies and strategies aimed at fostering sustainability. The Company has set ambitious goals to continuously reduce its carbon dioxide and greenhouse gas emissions through the adoption of renewable energy sources and the reduction of unnecessary energy consumption, while also minimizing the use of resources that contribute to the emission of greenhouse gases. In addition, the Company strives to significantly reduce the volume of waste sent to landfills, while actively promoting recycling and the reduction of single-use plastics. Additionally, the Company is actively engaged in supporting initiatives aimed at nature restoration and increasing green spaces, such as enhancing green areas within the Company’s premises. These initiatives are designed to conserve natural resources and contribute to the creation of a healthy and sustainable environment for both the community and society at large, through activities such as tree planting and the maintenance of green spaces to foster biodiversity.

3.4.2 Sustainability Performance Results on the Environmental Dimension

The Company recognizes the growing severity of climate change and is committed to addressing global climate change challenges. It is dedicated to enhancing the intensity of its environmental operations in alignment with sustainable development policies and strives to conduct business that is environmentally friendly and in accordance with ESG (Environmental, Social, Governance) standards. The Company prioritizes minimizing its environmental impact across all operations by implementing key energy-saving initiatives, as outlined below:

1. **Efficient Energy Consumption Reduction:** The Company is committed to optimizing energy use through the integration of cutting-edge technologies to enhance energy systems, including lighting and cooling. This effort extends to improving energy efficiency in both common areas and guest rooms, with the objective of maximizing energy performance while minimizing greenhouse gas emissions.

2. **Reduction of Water Consumption:** The Company has implemented water conservation measures through the installation of water-saving systems in guest rooms and common areas. Additionally, the Company promotes the efficient use of water across all service processes to further reduce overall consumption.

3. **Food Waste Management:** The Company has instituted a comprehensive food waste reduction initiative aimed at both staff and guest meals. This includes measures to minimize food wastage, such as reprocessing food scraps into organic fertilizer. Moreover, the Company actively promotes the use of biodegradable materials to decrease plastic waste within the hotel premises.

The Company monitors and assesses the environmental impacts of its operations on a regular basis. Additionally, it ensures the transparent disclosure of environmental performance data, thereby fostering trust and confidence among customers and all relevant stakeholders.

3.5 Sustainability Management in the Social Dimension

3.5.1 Social Policy and Guideline

The Company fully acknowledges the critical importance of safeguarding labor rights and upholding human rights across all aspects of its operations. It is unwavering in its commitment to comply rigorously with both national legislation and internationally recognized human rights standards. Shangri-La Group has formally endorsed the United Nations Global Compact (UNGC) and adopts human rights principles as a fundamental framework for its operations. Additionally, the Company places a high priority on protecting the rights of workers throughout its entire value chain, with a clear focus on fostering a safe, equitable, and non-discriminatory working environment. The Company unequivocally rejects involvement in any activities related to illegal labor practices. Moreover, it actively promotes diversity and inclusivity, respecting the differences of all employees by cultivating an organizational culture that advances equality and provides fair opportunities at all levels of employment. The Company further supports its business partners who share a commitment to transparent operations, the protection of human rights, and the safeguarding of labor rights. The Company remains steadfast in adhering to international human rights standards, ensuring that all business processes are conducted with responsibility, transparency, and a continued emphasis on enhancing the quality of life for employees, communities, and all relevant stakeholders.

3.5.2 Sustainability Performance Results on the Social Dimension

The Company is dedicated to social responsibility, actively contributing to community and societal development through various initiatives such as World Children's Day, Career Exploration Day with Mercy, and Christmas Tree Lighting Day. These initiatives focus on improving the quality of life in local communities, particularly by promoting education and vocational skills training for community members, thus enhancing their employment opportunities and elevating the quality of life in the surrounding areas of the hotel. Additionally, the company supports various social activities, such as Street Cleaning, Klong Sung Cleaning, and River Clean-Up projects, while

collaborating with local organizations to host events that foster strong relationships between the hotel and the community. Additionally, the company is committed to empowering and respecting the human rights of its employees by creating a work environment that offers opportunities for growth and career development. This is achieved through training sessions and skill development programs that enhance job performance and employee satisfaction. The company also promotes diversity and places high importance on human rights across all aspects of its operations. It is fully committed to fostering equality in the workplace, ensuring that there is no discrimination based on gender, ethnicity, or beliefs, and adheres strictly to human rights principles

For more details of “Sustainability Management”, kindly refer to the 2024 Sustainability Report at www.shangri-la.com/group/investors/public-disclosures-thailand

4. Management Discussion and Analysis (MD&A)

Overview

– Shangri-La Hotel, Bangkok

The hotel market sentiment in Thailand is expected to keep improving by the growth in international tourist arrivals. In 2024, Thailand welcomed 36 million international tourists, with short-haul market being the key feeder market due to enhanced flight capacity, which continues to fuel growth. The rise in tourist activity has positively impacted hotel performance, with ADR surpassing 2019 level, although the occupancy rate has not yet fully recovered.

The primary focus for Shangri-La Hotel, Bangkok in 2024 was to continue the strong recovery momentum back to 2023 by focusing 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.

Hotels developments are primarily clustered in the CBD and its surrounding areas, particularly along the Chao Phraya River and Sukhumvit Road. These locations remain the key demand focal points for the new hospitality project. Approximately 1,780 new keys are launched in 2024, highlighting healthy levels of market confidence.

– Shangri-La Hotel, Chiangmai

This year, Shangri-La Chiang Mai faced challenges due to slow demand from the start. Additionally, our competitors completed renovations and fully reopened, unlike last year when we were the dominant operator while others were still undergoing renovations. During Chinese New Year, bookings were initially slow but experienced a last-minute surge in demand toward the end.

The MICE segment saw sluggish demand throughout the year, particularly until the third quarter. However, last-minute bookings and a rise in demand during the final quarter provided some relief. On a positive note, individual travelers showed increased activity this year, helping to offset the shortfall from the MICE business.

The severe flooding had a minor impact on our hotel's MICE business. Both flooding events in September and October occurred during a busy period, particularly with group bookings. The total estimated loss of business is around Baht 4.6 million, primarily due to a decline in individual travelers during the Chinese National Holidays.

However, our hotel gained significant positive attention on social media for our effective floodgate system, which successfully protected our assets, guests, and colleagues. This coverage garnered attention both in Thailand and internationally. As a result, our reputation for safety and reliability has been strengthened, fostering greater trust among MICE planners and travelers

In the third quarter, the number of arrival and departure flights, both domestic and international, increased compared to the same period last year. Total flights grew from 12,894 in 2023 to 14,071 in 2024, marking a 9.1% increase year-over-year. However, this figure remains 24% below the pre-pandemic level in 2019.

Direct flights were available from 10 countries, including South Korea, China, Taiwan, Vietnam, Hong Kong, Malaysia, Singapore, Japan, Laos, and Myanmar. In the third quarter, 27 airlines serviced Chiang Mai, an increase from 21 airlines in 2023 but slightly below the 28 airlines operating in 2019.

This year, Food and Beverage revenue fell short in both banquets and outlets due to a slowdown in group bookings and catering. The social segment remained a key focus for the hotel, with functions and social events throughout the year, utilizing the outdoor function area and offering competitive pricing. For our outlets, we introduced the Epicurean Journey (French cuisine) to the city, which was met with an enthusiastic response from our guests.

Revenue, Expenses & Profit

– Shangri-La Hotel, Bangkok

Occupancy was higher by 1.3% points from last year. ADR was higher than last year by Baht 527.8 while revenue per available Room (Revpar) was higher than last year by Baht 399.9. Overall revenue from rooms increased by Baht 118.8 million or 11.9%.

Higher occupancy has impacted the number of F&B covers, which increased by 30,196 or 4.6% from last year. Average check was higher by Baht 72.1 or 8.5%. Overall Food and Beverage revenues increased by Baht 81.4 million or 13.6% from the previous year. Total F&B departmental profit for the year was Baht 298.6 million higher than last year by Baht 51.2 million or 20.7%.

Minor Operating Department (“MOD”) revenues slightly decreased by Baht 1.1 million or 1.1%

– Shangri-La Hotel, Chiang Mai

Room Revenue increased by Baht 9.1 million. ADR for the year closed below the Bangkok property by 22.8%, which was in line with the differential rate between the two cities. Room profitability was lower than the Bangkok hotel by 1.0% points.

Food and Beverage revenues in the hotel were encouraging and formed 27.5% of total hotel operating revenues. Food and Beverage Department showed a profit decreased of Baht 27.9 million (37.3%) compared to the previous year, while profitability was at 38.8% which was lower than last year 10.3% points. Food and Beverage profitability was lower than Bangkok hotel by 5.25% points.

Consolidated

In the overall results of the two hotels, there was an increase in operating revenues by Baht 177.8 million or 8.24% compared to year 2023. Cost of sales increased by Baht 57.3 million or 8.5%. As a result, gross profit increased by Baht 120.5 million or 8.1% 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 2024, the market value of the balance shares was HKD 55.7 million against the cost of HKD 83.7 million, thus creating an unrealized loss as reflected in the accounts.

– 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 0.35 million in 2024, which represents decrease of USD 0.03 million or decrease of 8.1% from previous year. There was no room revenue in 2024 as the Hotel closed effective 1 February 2021, Food and Beverage revenue also recorded USD 0.07 million or decrease of USD 0.05 million compared to year 2023. The hotel recorded net loss of USD 7.3 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, IFC Loan payment have completed in September 2024.

– 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 2024 with an occupancy of 50.9% (Last Year 52.0%) at an average monthly rental rate of USD 4,063 (Last Year USD 4,134), contributed to a total revenue of USD 6.1 million in 2024 (Last Year USD 6.4 million), decrease of 3.5% and gross operation profit of USD 2.5 million (Last Year USD 3.0 million), decrease of 17.9%. SYCL recorded net loss of USD 0.9 million.

– 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 2024 with office occupancy of 66.0% at an average rent of USD 21.8 per sqm, contributed to Gross Operating Revenue of USD 4.4 million and retail occupancy of 85.0% at an average rent of USD 19.8 per sqm, contributed to Gross Operating Revenue of USD 0.8 million. Gross operation profit of 42.6% (USD 2.8 million) with the office leasable area of 29,706 sqm and retail leasable area of 5,276 sqm. TSCL recorded net loss of USD 5.0 million.

Contingent Liabilities / Commitments

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 512.2 million without security, interest free and payable upon demand.

Capital commitments at the end of the year stood at Baht 62 million, relating to hotel project improvements of Shangri-La Hotel, Bangkok and Shangri-La Hotel, Chiang Mai included the development of Hotel Jen Thonglor.

Financial Review

The consolidated balance sheet of the Company consists primarily of fixed assets of the hotel, cash and cash equivalents and investments as mentioned above in addition to borrowing from a related company. As at 31 December 2024, cash and cash equivalents represent 6.46% of total assets (previous year: 18.98%), while short-term investments in financial assets – fixed deposits represent 44.08% of total assets (previous year: 24.94%).

Assets

As at 31 December 2024, the total assets amounted to Baht 8,067 million, an increase of 2.8% over the assets at the end of 2023. These were comprised as follows:

	2024		Increase/ (Decrease)	2023	
	Baht ('000)	% to Total Assets		Baht ('000)	% to Total Assets
Cash and cash equivalents	521,560	6.46%	(966,614)	1,488,174	18.98%
Short-term investments in financial assets-fixed deposits	3,556,503	44.08%	1,598,903	1,957,600	24.94%
Trade and other receivables	80,064	0.99%	4,576	75,488	0.96%
Inventories	28,732	0.36%	(2,308)	31,040	0.40%
Other current assets	36,076	0.45%	1,339	34,737	0.44%
Other non-current financial assets	243,716	3.02%	(1,547)	245,263	3.12%
Long-term loans to and interest receivables from related parties	459,200	5.69%	(282,576)	741,776	9.45%
Property, plant and equipment	3,115,442	38.62%	(94,265)	3,209,707	40.89%
Intangible assets	1,312	0.02%	562	750	0.01%
Deferred tax assets	20,987	0.26%	(36,493)	57,480	0.73%
Other non-current assets	3,841	0.05%	(2,820)	6,661	0.08%
Total	8,067,433	100.00%	218,757	7,848,676	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 512.2 million from a related party since year 2013.

The Current ratio increased to 9.4 against 8.7 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 2024 was Baht 521.6 million, a decrease of Baht 966.6 million from the previous year. Fixed deposit with financial institutions increased of Baht 1,598.9 million from previous year with ending balance as 31 December 2024 was Baht 3,556.5 million caused by the additional of new fixed deposit and the renewal with a long-term fixed deposits due to the favorable and a downward trend in the interest rate. Long-term loans to and interest receivables from related parties ending balance as 31 December 2024 was Baht 459.2 million, a decrease of Baht 282.6 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 177.8 million for the year 2024 or a increase of 8.2% point from the previous year. The increase in revenues was a result of increase in occupancies in Shangri-La Hotel, Bangkok by 1.3% points. Whereas occupancy levels in Shangri-La Hotel, Chiang Mai was decreased by 2.0% points. ADR of Shangri-La Hotel, Bangkok increased by 9.4% point and ADR of Shangri-La Hotel, Chiang Mai increased by 6.4% point. Food and Beverage revenues increased in total by 6.7% 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 2024 increased by Baht 231.0 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 97.68 million and the decrease in loss of subsidiaries of Baht 133.32 million. The decrease in loss of subsidiaries was largely due to the increase in exchange gain from loan to a related company.

In line with increase in revenues, selling expenses increased by Baht 17.4 million or 13.6% point, administrative expenses increased by Baht 14.3 million or 2.5% point. Depreciation increased by Baht 6.8 million or 4.2%. Consequently, the total profit before corporate income tax was at Baht 554.5 million. The corporate income tax for this year was Baht 183.6 million. The non-controlling interest of the subsidiary for this year was Baht 0.02 million. As a result, the Company recorded a net profit after tax of Baht 370.96 million for the year ended 31 December 2024 (increased by 168.8%).

Earnings per share in 2024 was Baht 2.85 whereas Earnings per share in 2023 was Baht 1.06.

Significant Financial Information

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2024, 2023 and 2022

(Unit: Baht)

	Consolidated financial statements		
	2024	2023	2022
Assets			
Current assets			
Cash and cash equivalents	521,560,293	1,488,173,873	2,745,215,645
Short-term investments in financial assets fixed deposits	3,556,503,285	1,957,600,000	60,000,000
Trade and other receivables	80,064,390	75,487,750	88,569,223
Inventories	28,732,256	31,039,661	24,184,428
Other current assets	36,075,881	34,737,280	27,057,758
Total current assets	4,222,936,105	3,587,038,564	2,945,027,054
Non-current assets			
Other non-current financial assets	243,715,835	245,263,271	335,176,818
Investments in subsidiaries	-	-	-
Investments in associates	-	-	-
Long-term loans to and interest receivables			
from related parties	459,199,955	741,776,349	1,038,189,490
Property, plant and equipment	3,115,441,544	3,209,706,836	3,280,290,507
Intangible assets	1,312,295	749,907	313,157
Deferred tax assets	20,987,389	57,480,124	203,273,648
Other non-current assets	3,840,716	6,660,638	6,771,358
Total non-current assets	3,844,497,734	4,261,637,125	4,864,014,978
Total assets	8,067,433,839	7,848,675,689	7,809,042,032

Significant Financial Information (continued)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2024, 2023 and 2022

(Unit: Baht)

	Consolidated financial statements		
	2024	2023	2022
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	234,956,762	222,811,039	192,481,498
Short-term loans from related party	-	-	-
Income tax payable	88,417,573	31,389,822	3,000,337
Advance from customers	102,554,300	138,361,512	170,702,461
Other current liabilities	23,114,342	20,980,348	28,483,457
Total current liabilities	449,042,977	413,542,721	394,667,753
Non-current liabilities			
Provision for long-term employee benefits	102,501,784	92,822,207	88,069,909
Deferred tax liabilities	48,710,324	21,061,885	12,221,713
Other non-current liabilities	27,952,066	22,970,651	21,451,702
Total non-current liabilities	179,164,174	136,854,743	121,743,324
Total liabilities	628,207,151	550,397,464	516,411,077
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	3,695,978,178	3,456,048,445	3,312,921,119
Other components of shareholders' equity	719,850,902	818,852,570	843,732,546
Equity attributable to owners of the Company	7,436,229,080	7,295,301,015	7,177,053,665
Non-controlling interests of the subsidiary	2,997,608	2,977,210	115,577,290
Total shareholders' equity	7,439,226,688	7,298,278,225	7,292,630,955
Total liabilities and shareholders' equity	8,067,433,839	7,848,675,689	7,809,042,032

Significant Financial Information (continued)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2024, 2023 and 2022

(Unit: Baht)

	Consolidated financial statements		
	2024	2023	2022
Profit or loss:			
Revenues			
Revenue from hotel operations	2,334,879,438	2,157,035,264	1,175,897,405
Exchange gains	65,890,177	-	-
Other income	29,396,187	29,154,470	25,114,450
Total revenues	2,430,165,802	2,186,189,734	1,201,011,855
Expenses			
Cost of hotel operations	734,166,315	676,827,696	448,111,024
Selling expenses	145,773,643	128,353,377	95,896,872
Administrative expenses	587,372,168	573,080,665	434,272,024
Depreciation and amortisation	168,782,024	161,936,550	173,677,732
Exchange losses	-	31,399,412	29,177,019
Impairment losses on financial assets	300,648,922	270,447,472	93,119,140
Total expenses	1,936,743,072	1,842,045,172	1,274,253,811
Operating profit (loss)	493,422,730	344,144,562	(73,241,956)
Share of losses from investments in associates	(48,307,969)	(110,147,023)	(41,349,337)
Finance income	109,416,632	89,542,434	46,418,014
Profit (loss) before income tax	554,531,393	323,539,973	(68,173,279)
Income tax expenses	(183,554,919)	(184,022,198)	(5,720,349)
Profit (loss) for the year	370,976,474	139,517,775	(73,893,628)

Significant Financial Information (continued)

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2024, 2023 and 2022

(Unit: Baht)

	Consolidated financial statements		
	2024	2023	2022
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	(97,705,313)	30,926,852	124,748,957
Other comprehensive income to be reclassified to profit or loss in subsequent periods	(97,705,313)	30,926,852	124,748,957
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Actuarial loss - net of income tax designated at fair value through other comprehensive income - net of income tax	(1,026,343)	(4,523,635)	6,391,239
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(1,296,355)	(44,475,826)	(15,781,742)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(2,322,698)	(48,999,461)	(9,390,503)
Total other comprehensive income for the year	(100,028,011)	(18,072,609)	115,358,454
Total comprehensive income for the year	270,948,463	121,445,166	41,464,826
Profit (loss) attributable to:			
Equity holders of the Company	370,956,076	137,985,618	(80,191,154)
Non-controlling interests of the subsidiary	20,398	1,532,157	6,297,526
	370,976,474	139,517,775	(73,893,628)
Total comprehensive income attributable to:			
Equity holders of the Company	270,928,065	118,247,350	39,533,356
Non-controlling interests of the subsidiary	20,398	3,197,816	1,931,470
	270,948,463	121,445,166	41,464,826
Earnings per share			
Basic earnings (loss) per share			
Profit (loss) attributable to equity holders of the Company	2.85	1.06	(0.62)

Significant Financial Information (continued)

Shangri-La Hotel Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2024, 2023 and 2022

(Unit: Baht)

	Consolidated financial statements		
	2024	2023	2022
Cash flows from operating activities			
Profit (loss) before tax	554,531,393	323,539,973	(68,173,279)
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	168,782,024	161,936,551	173,677,732
Reversal allowance for expected credit loss of trade receivables	(616,691)	(2,040,917)	(544,469)
Bad debts	427,175	525,535	-
Reversal reduction of inventory to net realisable value	-	(57,739)	(278,201)
Impairment losses on financial assets	300,648,922	270,447,472	93,119,140
Share of losses from investments in associates	48,307,969	110,147,023	41,349,337
Loss on write-off of assets under construction	-	8,738,458	-
Gain on disposals of plant and equipment	(198,330)	(839,694)	(8,275,050)
Provision for long-term employee benefits	11,548,312	10,254,306	6,797,197
Unrealised loss (gain) on exchange	-	-	-
Dividend income	(9,502,194)	-	(6,268,880)
Finance income	(109,416,632)	(89,542,434)	(46,418,014)
Finance cost	-	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	964,511,948	793,108,534	184,985,513
Operating assets (increase) decrease			
Trade and other receivables	1,387,384	20,307,631	(59,127,951)
Inventories	2,307,405	(6,797,494)	(3,609,575)
Other current assets	(653,681)	(6,455,604)	(4,945,070)
Other non-current assets	2,819,922	110,720	(3,375,368)
Operating liabilities increase (decrease)			
Trade and other payables	12,145,723	19,058,224	85,894,339
Advance from customer	(35,807,212)	(32,340,949)	102,963,603
Other current liabilities	2,133,994	(7,503,109)	842,048
Provision for long-term employee benefits	(3,151,664)	(11,156,552)	(7,064,144)
Other non-current liabilities	4,981,415	1,518,949	(2,686,066)
Cash flows used in operating activities	950,675,234	769,850,350	293,877,329
จ่ายดอกเบี้ย			
Cash received from refund of corporate income tax	2,723,036	2,248,591	-
Cash paid for corporate income tax	(63,236,475)	(4,454,347)	(8,091,022)
Net cash flows used in operating activities	890,161,795	767,644,594	285,786,307

Significant Financial Information (continued)

Shangri-La Hotel Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2024, 2023 and 2022

(Unit: Baht)

	Consolidated financial statements		
	2024	2023	2022
Cash flows from investing activities			
Decrease (Increase) in short-term investments in financial assets			
- fixed deposits	(1,598,903,285)	(1,897,600,000)	897,600,000
Cash received from interest income	91,815,125	68,006,679	27,099,811
Dividend income	9,502,194	-	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	(48,919,439)	(70,998,622)	-
Acquisitions of property, plant and equipment	(74,951,677)	(88,632,941)	(29,887,421)
Increase in intangible assets	(599,626)	(656,511)	(351,721)
Proceeds from disposals of plant and equipment	670,513	872,375	8,500,029
Net cash flows from (used in) investing activities	(1,621,386,195)	(1,946,947,460)	1,033,984,868
Cash flows from financing activities			
Dividend paid of the Company	(130,000,000)	-	-
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	(130,000,000)	(115,797,896)	-
Increase (decrease) in translation adjustments	(61,654,786)	26,297,753	25,599,739
Net increase (decrease) in cash and cash equivalents	(922,879,186)	(1,268,803,009)	1,345,370,914
Effects of exchange rate changes on cash and cash equivalents	(43,734,394)	11,761,237	47,651,512
Cash and cash equivalents at beginning of year	1,488,173,873	2,745,215,645	1,352,193,219
Cash and cash equivalents at end of year	521,560,293	1,488,173,873	2,745,215,645
Supplemental cash flows information			
Non-cash item			
Payable on acquisition of machinery and equipment	-	11,271,317	6,934,932

Financial Ratio

<u>Consolidated Financial Statements</u>		<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Liquidity Ratios</u>				
Current Ratio	(Times)	9.40	8.67	7.46
Quick Ratio	(Times)	9.26	8.51	7.33
Operating Cash Flow to Current Liabilities	(Times)	2.06	1.90	0.97
Account Receivable Turnover	(Times)	41.92	34.95	26.27
Average Collection Period	(Days)	8.59	10.30	13.70
Inventory Turnover	(Times)	24.57	24.51	20.15
Average Inventory Period	(Days)	14.65	14.69	17.87
Account Payable Turnover	(Times)	11.50	11.65	11.15
Average Payment Period	(Days)	31.32	30.91	32.29
Cash Cycle	(Days)	(8.07)	(5.92)	(0.72)
<u>Profitability Ratios</u>				
Gross Profit Margin	(%)	68.56	68.62	61.89
Net Profit Margin	(%)	15.26	6.31	(6.68)
Return on Equity	(%)	5.04	1.91	(1.12)
<u>Efficiency Ratio</u>				
Return on Assets	(%)	4.66	1.76	(1.04)
Fixed Asset Turnover	(%)	17.07	9.24	2.79
Total Asset Turnover	(Times)	0.31	0.28	0.16
<u>Financial Policy Ratio</u>				
Debt to Equity Ratio	(Times)	0.08	0.08	0.07
Interest Coverage	(Times)	-	-	-
Debt Service Coverage - cash basis	(Times)	7.15	2.78	9.45
Dividend Ratio	(%)	35.0	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 2024, 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 three Independent Directors as follows:

1. Mr. Jayavadh Bunnag
2. Mr. Kledchai Benjaathonsirikul
3. Mr. Supot Singhasaneh

* Mr. Kovit Poshyananda resigned from his position as an Independent Director and Chairman of the Audit Committee, effective from 1 December 2024.

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, 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.

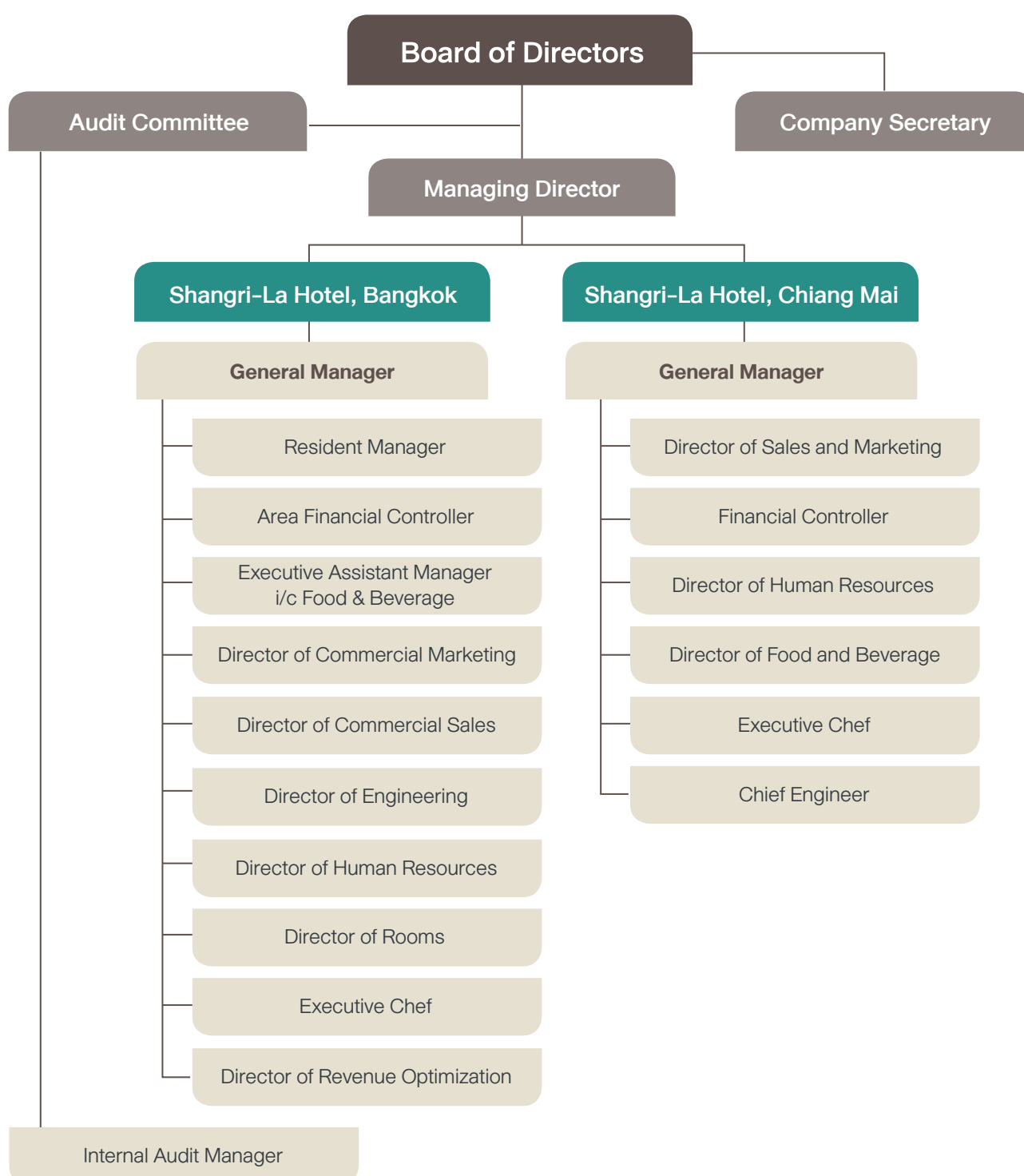
6.3 Significant Changes and Developments in Policies, Practices and Corporate Governance Systems in the Past Year.

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 2024, the Company's Board of Directors comprised 10 members including 3 independent directors.

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

* Mr. Christopher Phong Siew San was appointed as the new director by the Shareholders at its Annual General Shareholders Meeting on 26 April 2024 and be registered with the Department of Business Development on 29 April 2024.

**Mr. Kovit Poshyananda resigned from his position as an Independent Director and Chairman of the Audit Committee, effective from 1 December 2024.

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. Christopher Phong Siew San 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 financial reporting standards 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 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 Board of Directors appoints one sub-committee to assist in supervising the Company’s operations, namely the Audit Committee.

7.3.2 The name of the sub-committee is as follows:

Audit Committee

The Audit Committee was established on 15 November 1999, and currently comprises three independent directors. The Audit Committee comprises three independent directors as follows:

Audit Committee	Position
1. Mr. Jayavadh Bunnag	Member of the Audit Committee
2. Mr. Kledchai Benjaathonsirikul	Member of the Audit Committee
3. Mr. Supot Singhasaneh	Member of the Audit Committee with expertise in financial and accounting matters.

* Mr. Kovit Poshyananda resigned from his position as an Independent Director and Chairman of the Audit Committee, effective from 1 December 2024.

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.
- 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.
- 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.
- 11. To perform any other tasks as assigned by the Board and agreed by the Audit Committee.

The Company has not appointed any other subcommittees, as the Board of Directors holds full responsibility for overseeing all aspects of the Company's management. All operational decisions are formulated and regulated under the Board's authority to ensure alignment with the Company's objectives, particularly in fostering sustainable development and long-term growth. The Board is committed to ensuring that business operations are executed in accordance with the established strategic plan while maintaining the agility to promptly adapt to market dynamics and shifts in the business landscape. This approach is designed to enhance long-term profitability and ensure sustained corporate success.

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. Alexander Michael Scott	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. Mrs. Nuchanart Arterburn	Director of Room
8. Mr. Chee Hoong Lee	Director of Engineering
9. Mrs. Patchanee Phuritrat	Director of Human Resources
10. Mr. Jeremiah Timothy Stefan	Director of Revenue Optimization
11. Mr. Aaron Michael Foster	Executive Chef

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

The General Managers are entrusted by the Board of Directors with overseeing operations in accordance with the policies established by the Board to achieve the Company's objectives. Additionally, the General Managers are also authorized by the Board to execute contracts related to procurement and hiring within the scope of daily operations, ensuring efficient management and alignment with the established policies.

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 2024 are as follows:

– **Board of Directors:**

Name	Remuneration (Baht)		Total
	Board	Audit Committee	
1. Mr. Maris Pakdeetaveevivat	180,000	-	180,000
2. Mr. Christopher Phong Siew San (Appointed on 26/04/2024 and registered with the Department of Business Development on 29/04/2024)	121,475	-	121,475
3. Mr. Wu Hoi Fai Alfred	180,000	-	180,000
4. Mrs. Chanida Asdathorn	180,000	-	180,000
5. Mr. Surin Asdathorn	180,000	-	180,000
6. Mr. Nutthapol Asadathorn	180,000	-	180,000
7. Mrs. Pavinee Meensuk	180,000	-	180,000
8. Mr. Jayavadh Bunnag	180,000	300,000	480,000
9. Mr. Kledchai Benjaathonsirikul	180,000	300,000	480,000
10. Mr. Supot Singhasaneh	180,000	300,000	480,000
11. Mr. Kovit Poshyananda (Resigned on 1/12/2024)	164,754	366,120	530,874
Total	1,906,229	1,266,120	3,172,349

Remark: The Annual General Meeting of Shareholders No. 1/2024, which was held on 26 April 2024, resolved to approve the payment of annual remuneration of the Board of Directors and the Audit Committee for the year 2024 at rates specified in the table below. No other benefits or remuneration was provided to the directors:

Position	Remuneration per annum for each position (Baht)
Chairman of the Board of Directors	500,000
Director	180,000
Chairman of the Audit Committee	400,000
Member of the Audit Committee	300,000

– Executive Management

In the year 2024, the Company paid salary and bonus including provident fund contribution to the Company's Executive Management in a total amount of 74.8 million Baht.

7.5 Employees

As of 31 December 2024, the Company has a total of 963 full-time employees, comprising 746 employees at the Shangri-La Hotel, Bangkok, and 217 employees at the Shangri-La Hotel, Chiang Mai, which can be categorized as follows:

(unit: person)

Type of Staff	Shangri-La Hotel, Bangkok	Shangri-La Hotel, Chiang Mai
- Operational staff	652	172
- Office staff	94	45
Total	746	217

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 2024, the Company incurred employee expenses totaling 522.11 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 Smanot 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 did not officially appoint 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 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, Ms. Kessirin Pinpuvadol - Certified Public Accountant (Thailand) No. 7325 and/or Ms. Krongkaew Limkittikul - Certified Public Accountant (Thailand) No. 5874 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 2024 with the remuneration of 1,890,000 Baht (2023: 1,760,000 Baht).

Non-Audit fee

There was no transaction for non-audit fee paid during the year 2024.

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 2024, 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

The Board of Directors is entrusted with the responsibility of overseeing the recruitment and evaluation of qualified individuals to serve as directors, ensuring the organization's success and long-term sustainable growth. The Company also prioritizes the ongoing development of its directors' knowledge and skills through continuous training and knowledge sharing, enabling them to effectively adapt and lead the organization through the challenges of an ever-evolving business landscape.

The Board has performed its duties and responsibilities in overseeing the Company's operations in accordance with its policies, plans, strategies, objectives, and regulations, while fulfilling its duties with responsibility and fairness towards the Company, shareholders, and all stakeholders. The Board is committed to managing the organization in alignment with good corporate governance principles to enhance transparency and credibility, which will lead to the organization's stable and sustainable growth.

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

During the financial year ended 31 December 2024, four 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	percent
1. Mr. Maris Pakdeetaveevivat	4/4	100 %
2. Mr. Christopher Phong Siew San*	3/3	100 %
3. Mr. Wu Hoi Fai Alfred	4/4	100 %
4. Mrs. Chanida Asdathorn	4/4	100 %
5. Mr. Surin Asdathorn	4/4	100 %
6. Mr. Nutthapol Asadathorn	4/4	100 %
7. Mrs. Pavinee Meensuk	4/4	100 %
8. Mr. Jayavadh Bunnag	4/4	100 %
9. Mr. Kledchai Benjaathonsirikul	4/4	100 %
10. Mr. Supot Singhasaneh	4/4	100 %

* Mr. Christopher Phong Siew San was appointed as the new director by the Shareholders at its Annual General Shareholders Meeting on 26 April 2024 and be registered with the Department of Business Development on 29 April 2024.

** Mr. Kovit Poshyananda resigned from his position as an Independent Director and Chairman of the Audit Committee, effective from 1 December 2024.

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 Shangri-La Group upholds a firm commitment to comply with anti-corruption regulations at both local and international levels, ensuring that the organization's operations are conducted with the utmost transparency, thereby safeguarding the reputation and integrity of the brand. The Group is resolutely dedicated to cultivating a corporate culture anchored in responsibility and honesty, addressing issues of corruption with unwavering seriousness and persistence.

This approach is designed not only to shield the organization from financial and reputational risks but also to play a pivotal role in fostering confidence and trust among customers, employees, and business partners. Shangri-La Group remains steadfast in its commitment to supporting sustainable and transparent business practices through strict adherence to ethical standards and legal requirements across all the jurisdictions in which it operates.

With a strong commitment to anti-corruption principles, the Company aims to be a model organization of the highest ethical standards, conducting business with transparency to create value for society and meet the expectations of stakeholders across all sectors in a sustainable manner.

(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. 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 Hotel 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 2024 and the attendance record is set out in the table below:

Audit Committee	Position	Meeting attended / Eligible to attend	percent
1. Mr. Jayavadh Bunnag	Member of Audit Committee	4/4	100%
2. Mr. Kledchai Benjaathonsirikul	Member of Audit Committee	4/4	100%
3. Mr. Supot Singhasaneh	Member of Audit Committee with expertise in finance and accounting	4/4	100%

* Mr. Kovit Poshyananda resigned from his position as an Independent Director and Chairman of the Audit Committee, effective from 1 December 2024.

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 2024 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 2024 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 2025. The Board of Directors will consider this assessment, including determining the remuneration for the auditors.

On 24 February 2025, the Audit Committee also reviewed the financial statements of the Company for the year ended 31 December 2024 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. 1/2025 held on 24 February 2025 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 framework, 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

Reference: Attachment 6

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 2024, the Company has entered into connected transactions with related parties as per details set out below:

– **Board of Directors' Meetings held on 13 May 2024 and 13 August 2024**

The Company's Board of Directors Meeting resolved at its meeting No. 2/2024 held on 13 May 2024 approving the Company for Shangri-La Hotel, Bangkok to enter into the Platform Participation Contract with Infinite Rainbow Limited (SLIM Boutique), a subsidiary of Shangri-La Asia Limited. The primary purpose of this partnership is to expand Shangri-La Bangkok's retail capabilities through the creation of an online boutique. This strategic initiative aims to leverage the expertise of SLIM Boutique in digital platforms to enhance the visibility and availability of Shangri-La Bangkok's products, reaching a broader audience and driving increased sales. The term of contract is one year from 11 June 2024.

Later, the Company's Board of Directors' Meeting resolved at its Meeting No. 3/2024 held on 13 August 2024 approving the Company for Shangri-La Hotel, Chiang Mai to enter into the Platform Participation Contract with Infinite Rainbow Limited (SLIM Boutique), a subsidiary of Shangri-La Asia Limited. The primary purpose of this partnership is to expand Shangri-La Chiang Mai's retail capabilities through the creation of an online boutique. This strategic initiative aims to leverage the expertise of SLIM Boutique in digital platforms to enhance the visibility and availability of Shangri-La Chiang Mai's products, reaching a broader audience and driving increased sales. The term of contract is one year from 19 August 2024.

- **Board of Directors' Meeting held on 11 November 2024**

The Company's Board of Directors Meeting resolved at its Meeting No. 4/2024 held on 11 November 2024 approved for the termination of the Licence Agreement, the Marketing & Promotion Agreement and the HR Training Services Agreement with effect on 31 December 2024, and the execution of the Hotel Management Agreement (HMA), Proprietary Technology Services Agreement (PTSA) and Global Human Resources Information Technology (HRIT) Services Agreement with the commencement date on 1 January 2025.

- HMA is made between the Company and Shangri-La International Hotel Management Pte Ltd (SLIM SG). The purpose of this agreement is to acquire services required to operate a hotel, including but not limited to trademark access, e-direct and CEPT channels, sales and marketing support, training and brand. The term is from 1 January 2025 until 31 December 2029 with an option to renew for another 10 years.

- PTSA is made between the Company and Shangri-La International Hotel Management Ltd (SLIM HK). The purpose of this agreement is to acquire technology support services including the platforms for Advanced Book 360 (Property Reservation and Booking Management system), Service 360 (Guest Service Management system on mobile/PC), Data Insights (Database) and Support services for the above platforms. The term is same as the HMA Agreement until it terminates or expires or a PTSA termination event, whichever is earlier.

- HRIT Services Agreement is made between the Company and Shangri-La International Hotel Management Ltd (SLIM HK). The purpose of this agreement is to acquire human resources related technology services including platforms for HR Connect (HR and employee self-service platform) and HR Information System (HR Core, C&B, PSP functions). The term is same as the HMA until it terminates or expires or a HRIT Agreement termination event, whichever is earlier.

The above mentioned transactions are considered connected party transactions and fall under the category of the normal business / normal business-supporting transactions. The Audit Committee and the Board of Directors considered that these transactions are of fair pricing and general commercial conditions. Those transactions are approved by the Board of Directors as mentioned.

More details are 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 the 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's Report presented in this Form 56-1 One 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 2024, 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 Form 56-1 One 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 2024, 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 material accounting policy information, and have also audited the separate financial statements of Shangri-La Hotel Public Company Limited for the same period (collectively "the financial statements").

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 2024, 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.

Impairment of long-term loans to and interest receivables from related parties

As disclosed in Note 6 to financial statements, as of 31 December 2024 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 recoverable amount of 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 the discount rate and key assumptions.

I gained an understanding of and assessed management's valuation method and 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 to determine the recoverable amount of long-term loans to and interest receivables from associates, 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 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: 24 February 2025

Statement of financial position

As at 31 December 2024

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
Assets					
Current assets					
Cash and cash equivalents	7	521,560,293	1,488,173,873	105,103,572	197,604,673
Short-term investments in financial assets					
- fixed deposits		3,556,503,285	1,957,600,000	2,615,000,000	1,830,000,000
Trade and other receivables	8	80,064,390	75,487,750	73,073,804	68,034,481
Inventories	9	28,732,256	31,039,661	28,732,256	31,039,661
Other current assets		36,075,881	34,737,280	34,867,301	33,524,218
Total current assets		4,222,936,105	3,587,038,564	2,856,776,933	2,160,203,033
Non-current assets					
Other non-current financial assets	10	243,715,835	245,263,271	-	-
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	459,199,955	741,776,349	-	-
Property, plant and equipment	13	3,115,441,544	3,209,706,836	3,113,587,930	3,207,853,222
Intangible assets		1,312,295	749,907	1,312,295	749,907
Deferred tax assets	19	20,987,389	57,480,124	20,987,389	57,480,124
Other non-current assets		3,840,716	6,660,638	3,840,716	6,660,638
Total non-current assets		3,844,497,734	4,261,637,125	4,442,728,330	4,575,743,891
Total assets		8,067,433,839	7,848,675,689	7,299,505,263	6,735,946,924

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

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of financial position (Continued)

As at 31 December 2024

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	14	234,956,762	222,811,039	232,225,950	220,645,024
Short-term loans from related party	6	-	-	512,191,500	515,814,000
Income tax payable		88,417,573	31,389,822	88,227,953	-
Advance from customers		102,554,300	138,361,512	102,554,300	138,361,512
Other current liabilities		23,114,342	20,980,348	23,114,342	20,965,989
Total current liabilities		449,042,977	413,542,721	958,314,045	895,786,525
Non-current liabilities					
Provision for long-term employee benefits	15	102,501,784	92,822,207	102,501,784	92,822,207
Deferred tax liabilities	19	48,710,324	21,061,885	-	-
Other non-current liabilities		27,952,066	22,970,651	27,952,066	22,970,651
Total non-current liabilities		179,164,174	136,854,743	130,453,850	115,792,858
Total liabilities		628,207,151	550,397,464	1,088,767,895	1,011,579,383
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		3,695,978,178	3,456,048,445	3,190,337,368	2,703,967,541
Other components of shareholders' equity		719,850,902	818,852,570	-	-
Equity attributable to owners of the Company		7,436,229,080	7,295,301,015	6,210,737,368	5,724,367,541
Non-controlling interests of the subsidiary	11	2,997,608	2,977,210	-	-
Total shareholders' equity		7,439,226,688	7,298,278,225	6,210,737,368	5,724,367,541
Total liabilities and shareholders' equity		8,067,433,839	7,848,675,689	7,299,505,263	6,735,946,924

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

Directors

Shangri-La Hotel Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2024

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
Profit or loss:					
Revenue					
Revenue from hotel operations		2,334,879,438	2,157,035,264	2,334,879,438	2,157,035,264
Exchange gains		65,890,177	-	3,622,500	5,188,500
Other income		29,396,187	29,154,470	19,893,993	29,154,470
Total revenue		2,430,165,802	2,186,189,734	2,358,395,931	2,191,378,234
Expenses					
Cost of hotel operations		734,166,315	676,827,696	734,166,315	676,827,696
Selling expenses		145,773,643	128,353,377	145,773,643	128,353,377
Administrative expenses		587,372,168	573,080,665	585,859,588	571,532,397
Depreciation and amortisation		168,782,024	161,936,550	168,782,024	161,936,550
Exchange losses		-	31,399,412	-	-
Impairment losses on financial assets	6, 12	300,648,922	270,447,472	-	-
Total expenses		1,936,743,072	1,842,045,172	1,634,581,570	1,538,650,020
Operating profit		493,422,730	344,144,562	723,814,361	652,728,214
Share of losses from investments in associates	6, 12	(48,307,969)	(110,147,023)	-	-
Finance income	17	109,416,632	89,542,434	46,710,493	20,121,077
Profit before income tax expenses		554,531,393	323,539,973	770,524,854	672,849,291
Income tax expenses	19	(183,554,919)	(184,022,198)	(153,128,684)	(133,760,641)
Profit for the year		370,976,474	139,517,775	617,396,170	539,088,650

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

Statement of comprehensive income (Continued)

For the year ended 31 December 2024

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
Other comprehensive income:					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements in foreign currency		(97,705,313)	30,926,852	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(97,705,313)	30,926,852	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Actuarial loss - net of income tax		(1,026,343)	(4,523,635)	(1,026,343)	(4,523,635)
Loss on changes in value of equity investments designated at fair value through other comprehensive income - net of income tax	10	(1,296,355)	(44,475,826)	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(2,322,698)	(48,999,461)	(1,026,343)	(4,523,635)
Total other comprehensive income for the year		(100,028,011)	(18,072,609)	(1,026,343)	(4,523,635)
Total comprehensive income for the year		270,948,463	121,445,166	616,369,827	534,565,015
Profit attributable to:					
Equity holders of the Company		370,956,076	137,985,618	617,396,170	539,088,650
Non-controlling interests of the subsidiary	11	20,398	1,532,157		
		370,976,474	139,517,775		
Total comprehensive income attributable to:					
Equity holders of the Company		270,928,065	118,247,350	616,369,827	534,565,015
Non-controlling interests of the subsidiary		20,398	3,197,816		
		270,948,463	121,445,166		
Earnings per share					
Basic earnings per share	20				
Profit attributable to equity holders of the Company		2.85	1.06	4.75	4.15

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

Statement of changes in shareholders' equity

For the year ended 31 December 2024

	Consolidated financial statements											(Unit: Baht)
	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	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		
	Appropriated	Unappropriated										
Balance as at 1 January 2023	1,300,000,000	1,590,400,000	3,312,921,119	909,406,962	(65,674,416)	843,732,546	115,577,290	7,177,053,665	115,577,290	7,292,630,955		
Profit for the year	-	-	137,985,618	-	-	-	1,532,157	137,985,618	1,532,157	139,517,775		
Other comprehensive income for the year	-	-	(4,523,635)	30,926,852	(46,141,485)	(15,214,633)	1,665,659	(19,738,268)	1,665,659	(18,072,609)		
Total comprehensive income for the year	-	-	133,461,983	30,926,852	(46,141,485)	(15,214,633)	3,197,816	118,247,350	3,197,816	121,445,166		
Dividend paid of the subsidiary	-	-	-	-	-	-	(18,774,096)	-	(18,774,096)	(18,774,096)		
Decrease in capital of the subsidiary	-	-	-	-	-	-	(97,023,800)	-	(97,023,800)	(97,023,800)		
Transfer gain on changes in fair value of equity instruments sold to retained earnings	-	-	9,665,343	-	(9,665,343)	(9,665,343)	-	-	-	-		
Balance as at 31 December 2023	1,300,000,000	1,590,400,000	3,456,048,445	940,333,814	(121,481,244)	818,852,570	2,977,210	7,295,301,015	2,977,210	7,298,278,225		
Balance as at 1 January 2024	1,300,000,000	1,590,400,000	3,456,048,445	940,333,814	(121,481,244)	818,852,570	2,977,210	7,295,301,015	2,977,210	7,298,278,225		
Profit for the year	-	-	370,956,076	-	-	-	20,398	370,956,076	20,398	370,976,474		
Other comprehensive income for the year	-	-	(1,026,343)	(97,705,313)	(1,296,355)	(99,001,668)	-	(100,028,011)	-	(100,028,011)		
Total comprehensive income for the year	-	-	369,929,733	(97,705,313)	(1,296,355)	(99,001,668)	20,398	270,928,065	20,398	270,948,463		
Dividend paid (Note 23)	-	-	(130,000,000)	-	-	-	-	(130,000,000)	-	(130,000,000)		
Balance as at 31 December 2024	1,300,000,000	1,590,400,000	3,695,978,178	842,628,501	(122,777,599)	719,850,902	2,997,608	7,436,229,080	2,997,608	7,439,226,688		

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

Statement of changes in shareholders' equity (Continued)

For the year ended 31 December 2024

	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 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
					-
Balance as at 1 January 2024	1,300,000,000	1,590,400,000	130,000,000	2,703,967,541	5,724,367,541
Profit for the year	-	-	-	617,396,170	617,396,170
Other comprehensive income for the year	-	-	-	(1,026,343)	(1,026,343)
Total comprehensive income for the year	-	-	-	616,369,827	616,369,827
Dividend paid (Note 23)	-	-	-	(130,000,000)	(130,000,000)
Balance as at 31 December 2024	1,300,000,000	1,590,400,000	130,000,000	3,190,337,368	6,210,737,368

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

Cash flow statement

For the year ended 31 December 2024

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
Cash flows from operating activities					
Profit before tax		554,531,393	323,539,973	770,524,854	672,849,291
Adjustments to reconcile profit before tax to					
net cash provided by (paid from) operating activities:					
Depreciation and amortisation	18	168,782,024	161,936,551	168,782,024	161,936,551
Reversal allowance for expected credit loss of trade receivables		(616,691)	(2,040,917)	(616,691)	(2,040,917)
Bad debts		427,175	525,535	427,175	525,535
Reversal reduction of inventory to net realisable value		-	(57,739)	-	(57,739)
Impairment losses on financial assets		300,648,922	270,447,472	-	-
Share of losses from investments in associates		48,307,969	110,147,023	-	-
Loss on write-off of assets under construction		-	8,738,458	-	8,738,458
Gain on disposals of plant and equipment		(198,330)	(839,694)	(198,330)	(839,694)
Provision for long-term employee benefits		11,548,312	10,254,306	11,548,312	10,254,306
Unrealised gain on exchange		-	-	(3,622,500)	(5,188,500)
Dividend income		(9,502,194)	-	-	-
Finance income		(109,416,632)	(89,542,434)	(46,710,493)	(20,121,077)
Profit from operating activities before					
changes in operating assets and liabilities		964,511,948	793,108,534	900,134,351	826,056,214
Operating assets (increase) decrease					
Trade and other receivables		1,387,384	20,307,631	1,387,384	13,745,101
Inventories		2,307,405	(6,797,494)	2,307,405	(6,797,494)
Other current assets		(653,681)	(6,455,604)	(658,583)	(6,476,004)
Other non-current assets		2,819,922	110,720	2,819,922	110,720
Operating liabilities increase (decrease)					
Trade and other payables		12,145,723	19,058,224	11,580,926	18,728,151
Advance from customer		(35,807,212)	(32,340,949)	(35,807,212)	(32,340,949)
Other current liabilities		2,133,994	(7,503,109)	2,148,353	(7,514,866)
Provision for long-term employee benefits		(3,151,664)	(11,156,552)	(3,151,664)	(11,156,552)
Other non-current liabilities		4,981,415	1,518,949	4,981,415	1,518,949
Cash flows from operating activities		950,675,234	769,850,350	885,742,297	795,873,270
Cash received from refund of corporate income tax		2,723,036	2,248,591	2,723,036	2,248,591
Cash paid for corporate income tax		(63,236,475)	(4,454,347)	(31,558,946)	(3,457,219)
Net cash flows from operating activities		890,161,795	767,644,594	856,906,387	794,664,642

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

Shangri-La Hotel Public Company Limited and its subsidiaries

Cash flow statement (Continued)

For the year ended 31 December 2024

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
Cash flows from investing activities					
Increase in short-term investments in financial assets					
- fixed deposits		(1,598,903,285)	(1,897,600,000)	(785,000,000)	(1,770,000,000)
Cash received from interest income		91,815,125	68,006,679	40,473,302	14,728,146
Dividend income		9,502,194	-	-	-
Proceeds from sales of other non-current financial assets		-	42,061,560	-	-
Increase in long-term loans to related party	6	(48,919,439)	(70,998,622)	-	-
Acquisitions of property, plant and equipment		(74,951,677)	(88,632,941)	(74,287,037)	(88,632,941)
Increase in intangible assets		(599,626)	(656,511)	(1,264,266)	(656,511)
Proceeds from disposals of plant and equipment		670,513	872,375	670,513	872,375
Net cash flows used in investing activities		(1,621,386,195)	(1,946,947,460)	(819,407,488)	(1,843,688,931)
Cash flows from financing activities					
Dividend paid of the Company	23	(130,000,000)	-	(130,000,000)	-
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		(130,000,000)	(115,797,896)	(130,000,000)	-
Increase (decrease) in translation adjustments		(61,654,786)	26,297,753	-	-
Net decrease in cash and cash equivalents		(922,879,186)	(1,268,803,009)	(92,501,101)	(1,049,024,289)
Effects of exchange rate changes on cash and cash equivalents		(43,734,394)	11,761,237	-	-
Cash and cash equivalents at beginning of year		1,488,173,873	2,745,215,645	197,604,673	1,246,628,962
Cash and cash equivalents at end of year		521,560,293	1,488,173,873	105,103,572	197,604,673
		-		-	
Supplemental cash flows information					
Non-cash item					
Payables on acquisition of machinery and equipment		-	11,271,317	-	11,271,317

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

Notes to financial statements

For the year ended 31 December 2024

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, Bangrak, 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	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2024</u>	<u>2023</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.	Holding investment	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 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 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 2025

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 2025. 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. 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.

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 non-financial assets, 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.

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:

Impairment of long-term loans to and interest receivables from related parties

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

Property, plant and equipment/Depreciation

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

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

Deferred tax assets

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

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

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

6. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarized below, were concluded on terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	
<u>Transactions with associated companies</u>					
Interest income	12	16	-	-	0.92 to 5.50 percent per annum
<u>Transactions with related companies</u>					
Revenue from hotel operations	45	44	45	44	Contract price and normal business price
Management fees	75	71	75	71	Contract price
Marketing and promotion fees	5	6	5	6	Contract price
Advertising and reservation fees	18	14	18	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 2024 and 2023 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
<u>Trade receivables - related parties (Note 8)</u>				
Directors				
Directors	110	116	110	116
Related companies				
Others	875	1,261	875	1,261
Total trade receivables - related parties	985	1,377	985	1,377
<u>Other receivables - related parties (Note 8)</u>				
Related companies				
Shangri-La International Hotel Management Pte., Ltd.	4,995	2,382	4,995	2,382
Others	724	442	724	442
Total other receivables - related parties	5,719	2,824	5,719	2,824

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
		<u>2024</u>	<u>2023</u>
<u>Long-term loans to and interest receivables</u>			
<u>from related parties</u>			
Associated companies			
Non-interest bearing			
Traders Square Company Limited	46,071	46,390	-
	46,071	46,390	-
Interest bearing			
Traders Yangon Company Limited	672,284	629,429	-
Shangri-La Yangon Company Limited	841,646	841,460	-
Traders Square Company Limited	865,502	866,042	-
	2,379,432	2,336,931	-
Total	2,425,503	2,383,321	-
Less: Allowance for impairment losses on financial assets (Note 12)	(1,505,384)	(1,224,277)	-
Total	920,119	1,159,044	-
Less: Share of losses from investments in associates (Note 12)	(460,919)	(417,268)	-
Total long-term loans to and interest receivables from related parties - net	459,200	741,776	-

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		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Other payables - related parties (Note 14)</u>				
Related companies				
Shangri-La International Hotel Management Pte., Ltd.	34,009	30,105	33,502	29,749
Others	1,386	1,026	362	239
Total other payables - related parties	<u>35,395</u>	<u>31,131</u>	<u>33,864</u>	<u>29,988</u>

Short-term loans from related party

Subsidiary

Hasfield Holdings Pte., Ltd.	-	-	512,192	515,814
Total short-term loans from related party	<u>-</u>	<u>-</u>	<u>512,192</u>	<u>515,814</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 2024	the year	the year	adjustment	31 December 2024
<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	-	-	(319)	46,071
Interest bearing					
Traders Yangon Company Limited	629,429	48,919	-	(6,064)	672,284
Shangri-La Yangon Company Limited	841,460	6,203	-	(6,017)	841,646
Traders Square Company Limited	866,042	5,625	-	(6,165)	865,502
Total	2,383,321	60,747	-	(18,565)	2,425,503
Less: Allowance for impairment losses on					
financial assets (Note 12)	(1,224,277)	(300,649)	-	19,542	(1,505,384)
Total	1,159,044	(239,902)	-	977	920,119
Less: Share of losses from investments in					
associates (Note 12)	(417,268)	(48,308)	-	4,657	(460,919)
Total long-term loans to and interest receivables					
from related parties - net	<u>741,776</u>	<u>(288,210)</u>	<u>-</u>	<u>5,634</u>	<u>459,200</u>

During the current year, a subsidiary granted loans to the associated company in Myanmar, Traders Yangon Company Limited, to provide the loan of USD 1.39 million or approximately Baht 48.9 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.

The significant increase of Baht 300.6 million (2023: Baht 270.4 million) in the allowance for impairment losses on loans to and interest receivable from related parties in 2024 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	during the	during the	Gains on	31 December
	2024	year	year	exchange	2024
<u>Short-term loans from related party</u>					
Subsidiary					
Hasfield Holdings Pte., Ltd.	515,814	-	-	(3,622)	512,192
Total short-term loans from related party	515,814	-	-	(3,622)	512,192

Directors and management's benefits

During the years ended 31 December 2024 and 2023, the Group had employee benefit expenses to their directors and management as detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2024	2023
Short-term employee benefits	75,148	60,969
Post-employment benefits	2,786	2,781
Total	77,934	63,750

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash	1,697	1,833	1,691	1,826
Bank deposits	519,863	1,486,341	103,413	195,779
Total	521,560	1,488,174	105,104	197,605

As at 31 December 2024, the Group has bank deposits in saving accounts and fixed deposits carried interests between 0.00 and 4.92 percent per annum (2023: between 0.00 and 5.61 percent per annum) (the Company only: between 0.40 and 1.35 percent per annum, 2023: between 0.50 and 2.05 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Trade receivables - related parties</u> (Note 6)				
Age on the basis of invoice date				
Less than 120 days	985	1,377	985	1,377
Total trade receivables - related parties	985	1,377	985	1,377
<u>Trade receivables - unrelated parties</u>				
Age on the basis of invoice date				
Less than 120 days	53,083	55,683	53,083	55,683
120 - 180 days	291	1,070	291	1,070
Over 180 days	306	967	306	967
Total	53,680	57,720	53,680	57,720
Less: Allowance for expected credit losses	(277)	(894)	(277)	(894)
Total trade receivables - unrelated parties, net	53,403	56,826	53,403	56,826
Total trade receivables - net	54,388	58,203	54,388	58,203
<u>Other receivables</u>				
Other receivables - related parties (Note 6)	5,719	2,824	5,719	2,824
Other receivables - unrelated parties	210	488	210	488
Interest receivables	19,747	13,973	12,757	6,519
Total other receivables	25,676	17,285	18,686	9,831
Total trade and other receivables - net	80,064	75,488	73,074	68,034

The normal credit term is 30 days to 90 days.

During the year 2024, the Company write-off trade receivables of Baht 0.4 million.

9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements/Separate financial statements						
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Food and beverages	15,059	15,369	-	-	15,059	15,369
General supplies	9,468	11,453	-	-	9,468	11,453
Engineering tools, spare parts and supplies	5,065	5,078	(860)	(860)	4,205	4,218
Total	<u>29,592</u>	<u>31,900</u>	<u>(860)</u>	<u>(860)</u>	<u>28,732</u>	<u>31,040</u>

10. Other non-current financial assets

(Unit: Thousand Baht)

Consolidated financial statements	
<u>2024</u>	<u>2023</u>
<u>Equity instruments designated at FVOCI</u>	
Listed equity instruments	
Shangri-La Asia Limited - related party	243,716
Total equity instruments designated at FVOCI	<u>245,263</u>

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 2024 and 2023 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Shangri-La Asia Limited		Don Muang Tollway Public Company Limited		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Fair value as at 1 January	245,263	297,994	-	37,183	245,263	335,177
Gain (loss) recognised into other						
comprehensive income	(1,296)	(48,379)	-	4,879	(1,296)	(43,500)
Disposal during the year	-	-	-	(42,062)	-	(42,062)
Translation adjustment	(251)	(4,352)	-	-	(251)	(4,352)
Fair value as at 31 December	<u>243,716</u>	<u>245,263</u>	<u>-</u>	<u>-</u>	<u>243,716</u>	<u>245,263</u>

During the year 2024, the subsidiary received dividend income amounting to Baht 9.5 million from Shangri-La Asia 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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</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 2024 and 2023, 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	
			<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
					(Percent)	(Percent)
<u>Subsidiaries held through Town Development Company Limited</u>						
TRR-Kerry Development Company Limited	Holding investment	Thailand	Baht 3.6 million	Baht 3.6 million	57.33	57.33
Apizaco Limited	Holding investment	Hong Kong	HKD 206 million	HKD 206 million	100.00	100.00
Hasfield Holdings Pte., Ltd.	Holding investment	Singapore	SGD 34 million	SGD 34 million	100.00	100.00
Traders Hotel and Resort Limited	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

	(Unit: Thousand Baht)					
Company's name	Proportion of equity interest held by		Accumulated balance of		Profit allocated to	
	non-controlling interests		non-controlling interests		non-controlling interests	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(Percent)	(Percent)				
TRR-Kerry Development Company Limited	42.67	42.67	2,998	2,977	20	1,532

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>2024</u>	<u>2023</u>
Current assets	7,095	7,950
Current liabilities	70	973

Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	<u>2024</u>	<u>2023</u>
Revenue	127	1,442
Profit (loss)	48	(12,803)
Other comprehensive income	-	3,903
Total comprehensive income	48	(8,900)

Summarised information about cash flow

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	<u>2024</u>	<u>2023</u>
Cash flow used in operating activities	(983)	(37,061)
Cash flow from investing activities	135	42,061
Cash flow used in financing activities	-	(227,390)
Net decrease in cash and cash equivalents	<u>(848)</u>	<u>(222,390)</u>

12. Investments in associates

12.1 Details of associates:

(Unit: Thousand Baht)										
					Consolidated financial statements					
	Nature of	Country of	Paid-up capital		Shareholding		Carrying amounts			
Company's name	business	incorporation	as at 31 December		percentage		Cost		based on equity method	
			<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</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	30,388	30,598	-	-
Shangri-La Yangon Company Limited	Serviced apartments	Myanmar	USD 2.0 million	USD 2.0 million	22.22	22.22	17,970	18,094	-	-
Traders Square Company Limited	Commercial complex and office for rent	Myanmar	USD 0.1 million	USD 0.1 million	23.56	23.56	716	722	-	-
Total							49,074	49,414	-	-

12.2 Summarised financial information of associates

The financial information of these associated companies for the years ended 31 December 2024 and 2023, 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		Shangri-La Yangon		Traders Square	
	Company Limited		Company Limited		Company Limited	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Total assets	1,025,908	1,118,508	3,242,481	3,278,127	2,810,041	2,980,006
Total liabilities	(4,305,038)	(4,171,494)	(3,973,061)	(3,984,445)	(4,156,689)	(4,164,811)
Net (liabilities)/assets	<u>(3,279,130)</u>	<u>(3,052,986)</u>	<u>(730,580)</u>	<u>(706,318)</u>	<u>(1,346,648)</u>	<u>(1,184,805)</u>

(Unit: Thousand Baht)

	For the years ended 31 December					
	Traders Yangon		Shangri-La Yangon		Traders Square	
	Company Limited		Company Limited		Company Limited	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Total revenue	<u>12,228</u>	<u>13,124</u>	<u>216,295</u>	<u>221,027</u>	<u>230,122</u>	<u>210,476</u>
Loss	<u>(256,638)</u>	<u>(285,069)</u>	<u>(30,240)</u>	<u>(65,830)</u>	<u>(176,523)</u>	<u>(405,431)</u>

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 2024			
	Traders Yangon Company Limited	Shangri-La Yangon Company Limited	Traders Square Company Limited	Total
<u>Interests in associates</u>				
Net assets/ (liabilities) of associates	(3,279,130)	(730,580)	(1,346,648)	(5,356,358)
Shareholding percentage (Percent)	23.53%	22.22%	23.56%	
The Group's interests in associates	(771,579)	(162,335)	(317,270)	(1,251,184)
<u>Investments in associates</u>				
Ordinary shares, at cost	30,388	17,970	716	49,074
Less: Cumulative share of losses from investments in associates	(30,388)	(17,970)	(716)	(49,074)
Total	-	-	-	-
<u>Long-term loans to and interest receivables from related parties (Note 6)</u>				
Long-term loans to and interest receivables from related parties	672,284	841,646	911,573	2,425,503
Less: Impairment losses on financial assets	(672,284)	(367,053)	(466,047)	(1,505,384)
Total - net	-	474,593	445,526	920,119
Less: Cumulative share of losses from investments in associates	-	(144,365)	(316,554)	(460,919)
Total long-term loans to and interest receivables from related parties - net	-	330,228	128,972	459,200
Unrecognised cumulative share of losses from investments in associates	(741,191)	-	-	(741,191)

(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	-	-	-	-
<u>Long-term loans to and interest receivables from related parties (Note 6)</u>				
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)

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
							Total
Cost:							
1 January 2023	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	11,309,977
Additions	-	2,227	12,689	57,047	-	45	74,952
Disposals/write-off	-	(2,387)	(3,891)	(37,356)	-	(1,185)	(44,819)
Transfer to Intangible assets	-	-	-	-	-	-	(665)
Transfer in (out)	-	3,945	-	4,406	-	-	-
31 December 2024	2,528,775	3,410,332	1,313,160	3,933,433	98,695	5,093	11,339,445
Accumulated depreciation:							
1 January 2023	-	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
Depreciation for the year	-	107,784	21,150	39,110	-	36	168,080
Depreciation on disposals/write-off	-	(1,996)	(3,828)	(37,338)	-	(1,185)	(44,347)
31 December 2024	-	3,083,236	1,224,013	3,813,018	98,686	5,050	8,224,003
Net book value:							
31 December 2023	2,528,775	429,099	97,671	98,090	9	34	3,209,707
31 December 2024	2,528,775	327,096	89,147	120,415	9	43	3,115,442

(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	Total
Cost:								
1 January 2023	2,526,921	3,392,431	1,307,239	3,870,151	98,695	6,233	71,179	11,272,849
Additions	-	7,187	15,386	67,083	-	-	10,248	99,904
Disposals/write-off	-	(98)	(18,263)	(37,530)	-	-	(8,739)	(64,630)
Transfer in (out)	-	7,027	-	9,632	-	-	(16,659)	-
31 December 2023	2,526,921	3,406,547	1,304,362	3,909,336	98,695	6,233	56,029	11,308,123
Additions	-	2,227	12,689	57,047	-	45	2,944	74,952
Disposals/write-off	-	(2,387)	(3,891)	(37,356)	-	(1,185)	-	(44,819)
Transfer to Intangible assets	-	-	-	-	-	-	(665)	(665)
Transfer in (out)	-	3,945	-	4,406	-	-	(8,351)	-
31 December 2024	2,526,921	3,410,332	1,313,160	3,933,433	98,695	5,093	49,957	11,337,591
Accumulated depreciation:								
1 January 2023	-	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
Depreciation for the year	-	107,784	21,150	39,110	-	36	-	168,080
Depreciation on disposals/write-off	-	(1,996)	(3,828)	(37,338)	-	(1,185)	-	(44,347)
31 December 2024	-	3,083,236	1,224,013	3,813,018	98,686	5,050	-	8,224,003
Net book value:								
31 December 2023	2,526,921	429,099	97,671	98,090	9	34	56,029	3,207,853
31 December 2024	2,526,921	327,096	89,147	120,415	9	43	49,957	3,113,588

As at 31 December 2024, 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 5,798 million (2023: Baht 5,804 million).

14. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Trade payables - unrelated parties	63,574	64,154	63,574	64,154
Other payables - related parties (Note 6)	35,395	31,131	33,864	29,988
Other payables - unrelated parties	18,096	17,822	18,003	17,749
Payables for purchase of assets	15,814	20,823	15,814	20,823
Retention payables	4,720	4,248	4,720	4,248
Accrued expenses	97,358	84,633	96,251	83,683
Total trade and other payables	234,957	222,811	232,226	220,645

15. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2024 and 2023, 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					
	benefits from employee's retirement		Other long-term employee benefits plan		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Defined benefit obligation at beginning of year	87,848	82,931	4,974	5,139	92,822	88,070
<i>Included in profit or loss:</i>						
Current service cost	8,589	7,939	485	469	9,074	8,408
Interest cost	2,157	1,965	126	124	2,283	2,089
Past service costs and gains or losses on settlement	-	-	191	(242)	191	(242)
<i>Included in other comprehensive income:</i>						
Actuarial (gain) loss arising from						
Demographic assumptions changes	-	(1,072)	-	-	-	(1,072)
Financial assumptions changes	2,436	853	-	-	2,436	853
Experience adjustments	(1,153)	5,873	-	-	(1,153)	5,873
<i>Benefits paid during the year</i>	<i>(2,493)</i>	<i>(10,641)</i>	<i>(658)</i>	<i>(516)</i>	<i>(3,151)</i>	<i>(11,157)</i>
Defined benefit obligation at end of year	97,384	87,848	5,118	4,974	102,502	92,822

The Company expects to pay Baht 22.2 million of long-term employee benefits during the next year (2023: Baht 15.9 million).

As at 31 December 2024, the weighted average duration of the liabilities for long-term employee benefit is 12 and 14 years (2023: 12 and 14 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements/ Separate financial statements	
	<u>2024</u>	<u>202</u>
	(% per annum)	(% per annum)
Discount rate	2.45, 2.55	2.76, 3.04
Future salary increase rate	5.00	5.00
Turnover rate	2.39 - 34.38	2.39 - 34.38

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2024 and 2023 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements/Separate financial statements			
	As at 31 December 2024		As at 31 December 2023	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
Discount rate	(3)	4	(3)	3
Salary increase rate	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
	7	(7)	7	(6)
Turnover rate	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
	(5)	6	(5)	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 2024 and 2023 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Finance income				
Interest income	109,417	89,542	46,710	20,121
Total	109,417	89,542	46,710	20,121

18. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2024</u>	<u>2023</u>
Salaries and wages and other employee benefits	522,299	496,767
Depreciation and amortisation	168,782	161,937
Direct cost of food and beverage	232,997	220,672
Other direct cost of hotel operations	243,371	209,123
Utilities expenses	150,272	157,756
Management fees	75,451	70,546
Advertising and promotion expenses	73,180	57,752
Maintenance expenses	56,142	73,648

19. Income tax

Income tax expenses for the years ended 31 December 2024 and 2023 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax:				
Current corporate income tax charge	116,856	32,371	116,379	-
Adjustment in respect of income tax of previous year	-	(3,000)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	66,699	154,651	36,750	133,761
Income tax expenses reported in profit or loss	<u>183,555</u>	<u>184,022</u>	<u>153,129</u>	<u>133,761</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2024 and 2023 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Deferred tax on gains from the changes in value of investment in equity investments designated at FVOCI	-	976	-	-
Deferred tax on actuarial losses	(257)	(1,131)	(257)	(1,131)
Total	(257)	(155)	(257)	(1,131)

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Accounting profit before tax	554,531	323,540	770,525	672,849
Applicable tax rate	0, 17, 20%	0, 17, 20%	20%	20%
Accounting profit before tax multiplied by income tax rate	109,298	98,120	154,105	134,570
Adjustment in respect of income tax of previous year	-	(3,000)	-	-
Unrecognised deferred tax assets on temporary differences	67,695	62,549	-	-
Effects of:				
Exemption of income	(8,033)	(11,808)	-	-
Non-deductible expenses	281	4,866	281	419
Additional expense deductions allowed	(1,682)	(1,676)	(1,682)	(1,676)
Share of losses from investments in associates	9,662	22,029	-	-
Others	6,334	12,942	425	448
Total	(6,562)	(26,353)	(976)	(809)
Income tax expenses reported in profit or loss	183,555	184,022	153,129	133,761

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>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Deferred tax assets				
Allowance for expected credit losses of trade receivables	55	178	55	178
Unrealised fair value loss on investment	172	172	172	172
Provision for long-term employee benefits	20,500	18,564	20,500	18,564
Provisions and other accruals	260	231	260	231
Unused tax losses	-	38,335	-	38,335
Total	<u>20,987</u>	<u>57,480</u>	<u>20,987</u>	<u>57,480</u>
Deferred tax liabilities				
Undued tax remitted	48,710	21,062	-	-
Total	<u>48,710</u>	<u>21,062</u>	<u>-</u>	<u>-</u>
Net balance	<u>(27,723)</u>	<u>36,418</u>	<u>20,987</u>	<u>57,480</u>
Presented as				
Deferred tax assets	20,987	57,480	20,987	57,480
Deferred tax liabilities	48,710	21,062	-	-
Total	<u>(27,723)</u>	<u>36,418</u>	<u>20,987</u>	<u>57,480</u>

As at 31 December 2024, the Group has deductible temporary differences totalling Baht 1,738 million (2023: Baht 1,389 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.

Effect from international tax reform - Pillar Two model rules

The Group is within the scope of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). Accordingly, the Group has applied the mandatory exception requiring that entities shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Pillar Two legislation was enacted or substantially enacted in several countries, where the Group operates, and will be effective for fiscal years beginning on or after 1 January 2025.

The management of the Group is currently in the process of assessing the potential exposure to Pillar Two income taxes in the financial statements for the year ending 31 December 2025.

20. Earnings per share

Basic earnings per share is calculated by dividing profit 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 financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit for the year (Thousand Baht)	370,956	137,986	617,396	539,089
Weighted average number of ordinary shares (Thousand shares)	130,000	130,000	130,000	130,000
Profit per share (Baht per share)	2.85	1.06	4.75	4.15

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 2024 and 2023.

(Unit: Million Baht)

	Hotel business							
	Hotel in Bangkok		Hotel in Chiangmai		Holding Investment		Adjustments and eliminations	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue								
Revenue from external customers	1,896	1,696	439	461	-	-	-	-
Total revenue	1,896	1,696	439	461	-	-	-	-
Operating results								
Segment gross profit	1,298	1,152	303	328	-	-	-	-
Other income	17	26	3	3	9	-	-	-
Depreciation and amortisation	(94)	(91)	(75)	(71)	-	-	-	-
Exchange gains (losses)	4	5	-	-	62	(36)	-	-
Impairment losses on financial assets	-	-	-	-	(301)	(270)	-	-
Share of losses from investments in associates	-	-	-	-	(48)	(110)	-	-
Finance income	47	20	-	-	63	70	-	-
Unallocated expenses								
Income tax expenses								
Profit for the year								
Segment total assets	6,977	5,029	323	406	767	2,414	8,067	7,849

Major customers

For the years 2024 and 2023, 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 2024, the Company contributed Baht 13 million (2023: Baht 13 million) to the fund.

23. Dividend

On 26 April 2024, the Annual General Meeting of the Company's shareholders passed a resolution to pay a dividend for the year 2023 of Baht 1.00 per share, a total of approximately Baht 130 million. The dividend was paid on 24 May 2024.

24. Commitments and contingent liabilities

24.1 Capital commitments

As at 31 December 2024, the Company had capital commitments of approximately Baht 62 million (2023: Baht 63 million), relating to the construction and renovation of the hotel building and acquisition of equipment.

24.2 Long-term service commitments

The Company has entered a long-term service contract. Under the terms of the contract, the Company is required to pay a monthly service fee. The fee for the year 2024 amounting to approximately Baht 8 million were recognised as expenses.

24.2 Guarantees

As at 31 December 2024, there were outstanding bank guarantee of approximately Baht 11 million (2023: Baht 11 million) issued by a bank on behalf of the Company in respected of electricity usage.

25. Financial instruments

25.1 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				Average exchange rate	
	Financial assets		Financial liabilities		as at 31 December	
	as at 31 December		as at 31 December			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	17	27	-	-	33.9879	34.2233

Foreign currency	Separate financial statements				Average exchange rate	
	Financial assets		Financial liabilities		as at 31 December	
	as at 31 December		as at 31 December			
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	-	15	15	33.9879	34.2233

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 2024 and 2023.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Impact to profit before tax				
THB against USD				
- Increase 5 %	29,459	48,899	(25,610)	(25,791)
- Decrease 5 %	(29,459)	(48,899)	25,610	25,791

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 2024 and 2023, 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 2024							
	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	420	-	-	51	51	522	0.00 - 4.92
Short-term investments in financial assets - fixed deposits	3,557	-	-	-	-	3,557	1.70 - 4.79
Trade and other receivables	-	-	-	-	80	80	-
Long-term loans to and interest receivables from related parties	-	-	212	-	247	459	0.92 - 5.50
	3,977	-	212	51	378	4,618	
Financial liabilities							
Trade and other payables	-	-	-	-	235	235	-
	-	-	-	-	235	235	

(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)

Separate financial statements

As at 31 December 2024

	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	32	-	-	50	23	105	0.40 - 1.35
Short-term investments in financial assets - fixed deposits	2,615	-	-	-	-	2,615	1.70 - 2.45
Trade and other receivables	-	-	-	-	73	73	-
	2,647	-	-	50	96	2,793	
Financial liabilities							
Trade and other payables	-	-	-	-	232	232	-
Short-term loan from related party	-	-	-	-	512	512	-
	-	-	-	-	744	744	

(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	0.50 - 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	

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 2024 and 2023 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2024				
		Less than	1-5	Over	
	On demand	1 year	years	5 years	Total
Non-derivatives					
Trade and other payables	-	235	-	-	235
Total non-derivatives	-	235	-	-	235

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2024				
		Less than	1-5	Over	
	On demand	1 year	years	5 years	Total
Non-derivatives					
Trade and other payables	-	232	-	-	232
Short-term loans from related party	512	-	-	-	512
Total non-derivatives	512	232	-	-	744

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2023				
		Less than	1-5	Over	
	On demand	1 year	years	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				
		Less than	1-5	Over	
	On demand	1 year	years	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

25.2 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.

26. 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 2024, the Group's debt-to-equity ratio was 0.08:1 (2023: 0.08:1) and the Company's was 0.18:1 (2023: 0.18:1).

27. Events after the reporting period

On 24 February 2025, the Board of Director's meeting of the Company passed a resolutions approved to propose to the Annual General Meeting of Shareholders to consider and approve the dividend payment for the year 2024 at the rate of Baht 1.00 per share, totaling of Baht 130 million.

28. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2025.

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	81	–	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. Christopher Phong Siew San Director	56	–	None	– Master of Business Administration, Nanyang Technological University, Singapore – Bachelor of Economics and Political Science, University of Calgary, Canada	– 2011-2015 Senior Director of Nexif (InfraCo) Management Pte Ltd, the appointed manager of InfraCo Asia Development Pte Ltd. – 2015-2023 Director of PT Adaro Power and its various project companies, and PT Kalimantan Aluminum Industry – 2024-Present Group Head of Investment & Asset Management of Shangri-La Asia Limited	– Economics – Banking – Construction Services – Property Development – Energy & Utilities – Finance – Sustainability – Negotiation – Project Management – Corporate Management – Leadership – Strategic Management – Risk Management – Internal Control – Budgeting – Governance / Compliance
3. Mr. Wu Hoi Fai Alfred Director	64	–	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 Senior Vice President Corporate Finance & Treasury Shangri-La Asia Limited	– Finance & Securities – Accounting – Finance – Sustainability – Fund Management

- 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	
4. Mrs. Chanida Asdathorn Director	84	0.23%	Sister-in-law to Mr. Surin Asdathorn and Aunt-in-law to Mr. Nutthapol Asadathorn	<ul style="list-style-type: none"> - Bachelor's Degree in Business Administration, Pasadena College, California, USA - Directors Accreditation Program (DAP) (March 2006), Thai Institute of Directors Association 	<ul style="list-style-type: none"> - Present Chairperson Thai Roong Ruang Sugar Group - Present Director Thai Ruam Toon Warehouse Co., Ltd. - Present Director Thai Roong Ruang Warehouse Co., Ltd. - Present Director TRR Property Co., Ltd. - Present Managing Director Thai Roong Ruang Industry Co., Ltd. - 1979-Present Director The Cholburi 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. - 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"> - 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 - Negotiation - Change Management - Leadership - Strategic Management - Risk Management
5. Mr. Surin Asdathorn Director	83	2.67%	Brother-in-law to Mrs. Chanida Asdathorn and Uncle to Mr. Nutthapol Asadathorn	<ul style="list-style-type: none"> - Bachelor of Art Degree in Political Science, Ramkhamhaeng University 	<ul style="list-style-type: none"> - 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

– 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	
6. Mr. Nutthapol Asadathorn Director	59	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 Research & Industrial Engineering), Cornell University, Ithaca, New York, USA - Ph.D. (Industrial Engineering), New Jersey Institute of Technology, Newark, New Jersey, USA - Director Certification Program (DCP) Thai Residential, Class 352/2023 (Nov 2023), Thai Institute of Directors Association - The Executive Program in Energy Literacy for a Sustainable Future, TEA Class 14 	<ul style="list-style-type: none"> - 1997-2022 Managing Director Thai Roong Ruang Corporation Co., Ltd. (Baanrai Sugar Industry Co., Ltd.) - 1997-Present Director The Thai Sugar Producers Association - Present Deputy Managing Director Thai Roong Ruang Industry Co., Ltd. - 2001-Present Director Thai Sugar Millers Co., Ltd. - 2001-Present Director Charoenvieng 2001 Co., Ltd. 	<ul style="list-style-type: none"> - Economics - Agribusiness - Energy & Utilities - Finance - IT Management - Data Analysis - Statistics - Project Management - Corporate Management - Engineering - Leadership - Strategic Management
7. Mrs. Pavinee Meensuk Director	67	-	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"> - 1989-Present Director Kerry Flour Hills Limited - 1990-Present Director Kerry Siam Seaport Limited 	<ul style="list-style-type: none"> - Transportation & Logistics - Law - Accounting - Finance - Human Resource Management - Data Analysis - Corporate Management - Change Management - Budgeting
8. Mr. Jayavadh Bunnag Independent Director and Member of Audit Committee	81	-	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 - Adjunct Professor of Commercial Law, Thammasat University - Directors Accreditation Program (DAP) (2006), Thai Institute of Directors Association 	<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	
9. Mr. Kledchai Benjaathonsirikul Independent Director and Member of Audit Committee	70	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 Non-Executive Director KEX 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	76	-	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, 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 	<ul style="list-style-type: none"> - 2018-Present Chairman of the Audit Committee TPI Polene Public Company Limited - 2018-Present Chairman of the Board of Directors and Chairman of the Audit Committee Samart Aviation Solutions Public Company Limited - 2019-Present Chairman of the Board of Directors and Chairman of the Audit Committee Saksiam Leasing Public Company Limited - 2024-Present Chairman of the Audit Committee Fine Metal Technologies Public Company Limited - 2017-Jun 2024 Chairman of the Audit Committee Social Security Fund - 2018-Present Member of the Audit Committee Thammasat University - 2022-Present Council Member Kirk University - 2022-Present Chairman of the Tax Auditor Examination Committee Revenue Department - Nov 2023-Present Member of the Audit Committee Office for National Education Standards and Quality Assessment (Public Organization) 	<ul style="list-style-type: none"> - Accounting - Finance

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
					Period, Position and Company	
1. Mrs. Yue Toy Hang General Manager	61	-	-	- 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. Alexander Michael Scott Resident Manager	41	-	-	- Bachelor of Business Administration in Hospitality & Tourism Management Macquarie University / International College of Management Sydney, Australia	- Jan 2020-Jun 2022 Cluster General Manager The Oaks Sydney Goldsbrough Suites & Oaks Sydney North Ryde Suites (MINOR Hotels & Resorts, Sydney, Australia) - Jul 2022-Aug 2024 Director of Operations (Hotel Manager) Shangri-La Hotel, Sydney, Australia	- Food & Beverage - Professional Services - Tourism & Leisure - Corporate Social Responsibility - Human Resource Management - Sustainability - Procurement - Data Management - Data Analysis - Statistics - Digital Marketing - Brand Management - Negotiation - Project Management - Corporate Management - 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
					Period, Position and Company	
3. Ms. Nipa Smanote Area Financial Controller (The person who has been assigned the responsibility in the Company's accounting and finance department)	66	-	-	- Bachelor's Degree in Accounting, University of The Thai Chamber of Commerce, Thailand	- Jun 2005-May 2012 Financial Controller Shangri-La Bangkok, Thailand	- 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 - Internal Control - Budgeting - Governance / Compliance
4. Mr. Keith Santosh Rajan Executive Assistant Manager i/c Food & Beverage	46	-	-	- Bachelor of Business Administration, University of Madras, India	- 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	- 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

– **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
					Period, Position and Company	
5. Mr. Almario Villanueva Mungcal Director of Commercial Marketing	48	-	-	- Bachelor of Mass Communications, University of the Philippines	- 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	- Economics - Commerce - Media & Publishing - Tourism & Leisure - Information & Communication Technology - Marketing - 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	48	-	-	- Diploma in Secretarial Educational, Rima College, Malaysia	- Apr 2015-Jun 2022 Director of Sales Director of Events Management Shangri-La Hotel, Bangkok, Thailand	- Tourism & Leisure - Marketing - Finance - Corporate Social Responsibility - Data Analysis - Digital Marketing - Change Management - Leadership - Strategic Management - Risk Management - Audit - Internal Control - Budgeting - Governance / Compliance
7. Mrs. Nuchanart Arterburn Director of Rooms	58	0.0002%	-	- Diploma Degree in Secretary, Kasem Polytechnic College	- Jul 2013-Dec 2023 Assistant Director of Rooms Shangri-La Hotel, Bangkok	- Tourism & Leisure - Corporate Social Responsibility - 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
					Period, Position and Company	
8. Mr. Chee Hoong Lee Director of Engineering	66	-	-	<ul style="list-style-type: none"> - Master of Business Administrative, University of Otago, New Zealand - Bachelor of Engineering (Electrical), University of Canterbury, 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
9. Mrs. Patchanee Phuritrat Director of Human Resources	44	-	-	<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
10. Mr. Jeremiah Timothy Stefan Director of Revenue Optimization	43	-	-	<ul style="list-style-type: none"> - Bachelor of Economics, Wijaya Putra University, Surabaya 	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - 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

– **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
					Period, Position and Company	
11. Mr. Aaron Michael Foster Executive Chef	45	-	-	- Diploma in Culinary Arts Management Niagara College, Niagara Falls, Canada	- Jun 2021-Jul 2022 Executive Chef at W Nashville, Nashville Tennessee - Aug 2022-Nov 2023 Executive Chef The Inter Continental & Holiday Inn Bangkok - Dec 2023-May 2024 Executive Chef Pullman King Power Hotel	- Food & Beverage - Tourism & Leisure - Corporate Social Responsibility - Sustainability - Procurement - Digital Marketing - 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
					Period, Position and Company	
1. Mr. Gabriele Lombardo General Manager	53	-	-	- Bachelor Degree in Hospitality Sciences, Ecole Hoteliere de Lausanne, Switzerland	- 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 201-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	- 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	56	-	-	- Master of Business Administration – Marketing, University of New Haven, United States of America	- 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	- Commerce - Professional Services - Tourism & Leisure - Marketing - Data Analysis - Digital Marketing - Brand Management - Negotiation - Project Management - Corporate Management - Leadership - Strategic Management - Budgeting
3. Mr. Songkran Tiranon Financial Controller	44	-	-	- Bachelor of Accounting, Thonburi University	- Nov 2014-Dec 2019 Chief Accountant Shangri-La Hotel, Chiang Mai - Dec 2019-Jun 2023 Asst. Financial Controller Shangri-La Hotel, Chiang Mai	- Economics - Banking - Finance & Securities - Insurance - Commerce - Accounting - Finance - Procurement - Leadership - Strategic Management - Audit - Internal Control - 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
					Period, Position and Company	
4. Ms. Sukanya Jittanan Director of Human Resources	48	-	-	- Bachelor of Laws Chiang Mai University	- 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	- Home & Office Products - Tourism & Leisure - Law - Corporate Social Responsibility - Human Resource Management - Sustainability - Data Management - Leadership - Strategic Management - Budgeting - Governance / Compliance
5. Mr. Ezani Bin Amir Director of Food and Beverage	48	-	-	- 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	45	-	-	- 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	57	-	-	- 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. Nongtharus Tansavatdi	49	-	-	<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. Christopher Phong Siew San	✓	✓	✓	✓	✓			✓	✓	✓
3. Mr. Wu Hoi Fai Alfred	✓				✓			✓	✓	✓
4. Mrs. Chanida Asdathorn	✓	✓				✓	✓			
5. Mr. Surin Asdathorn	✓						✓			
6. Mr. Nutthapol Asadathorn	✓	✓					✓			
7. Mrs. Pavinee Meensuk	✓	✓				✓	✓			
8. Mr. Jayavadh Bunnag	✓									
9. Mr. Kledchai Benjaathonsirikul	✓									
10. Mr. Supot Singhasaneh	✓									

Remarks: ✓ = Director

✗ = 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 Background	Working Experience		Attending Internal Audit Training Program
					Period	Company and Position	
Ms. Pastharee Theerajittiwong (Internal Audit Manager)	31	-	-	- Bachelor of Accounting, Thammasat University	May 2015–Jun 2018	- Senior Assurance EY Company Limited	-
					Sep 2018–Jan 2022	- 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.

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. Employees who are members will contribute monthly to the fund with the option to accumulate a minimum of five percent and a maximum of fifteen percent of employee wages, whilst the Company will make contributions to the fund at the rate of five percent of the employee's wages.

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. Investor Relations acts as a contact person to 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 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.

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

Adopted and Effective as of 31 December 2024

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, employees, agents, consultants, contract labour, casual labour, and temporary staff 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 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, the Human Resources Department or the Legal Department whenever they have any questions concerning this Code, the Group’s Policies, or any laws or regulations.

As work extends beyond the Group’s properties and can include remote working, work-related activities such as functions, conferences and travel, and any use of Group systems, equipment and technology, employees’ actions should always reflect positively on the Group’s reputation and comply with the Code.

Employees who become aware of any suspected or known violation of this Code or any of the Group’s Policies must promptly report the matter to their department head, the Human Resources Department, the Legal Department or in accordance with the Whistleblowing Policy (described in section 23 below).

All Employees must cooperate fully with any investigations into any suspected breach of this Code or Group's Policies. This includes responding promptly to requests for information, including meeting requests, and providing full, accurate and truthful information, and preserving relevant documents and evidence, as part of any review, enquiry or investigation by the Group.

Any failure to comply with this Code or the Group's Policies may result in disciplinary action including suspension with or without pay, warnings, an impact on remuneration or promotion, or termination of employment. Disciplinary action may also be taken against any Employee who authorises, facilitates or encourages such act, or otherwise attempts to conceal any breach of this Code or the Group's Policies.

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 and followed 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 authorise 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 committed to maintaining a diverse, equitable and inclusive environment for all. It is vital that employees treat others with courtesy, consideration and respect at all times irrespective of position, title or background. Employees must act in a way that is collaborative and inclusive, and that aligns with our shared values and this Code.

Employees must avoid any form of discrimination based on gender, race, ethnicity, religion, nationality, disability, marital status, sexual orientation, pregnancy, family status or any other personal characteristic protected by applicable laws.

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.

The Group prohibits any form of harassment (including sexual harassment) irrespective of whether this occurs within or outside the workplace or whether it occurs verbally, physically, via visual means or otherwise. Harassment includes inappropriate conduct that a reasonable person may, in the circumstances, consider to be humiliating, hostile, intimidating or demeaning.

Sexual harassment includes unwanted sexual advances or attention, inappropriate references to sex or issues of a sexual nature or any form of conduct of a sexual nature that may reasonably cause another person to feel offended, humiliated or intimidated. It includes conduct of a sexual nature that creates a hostile or intimidating environment.

Employees must comply with the Group's Equal Opportunity and Respect, and Anti- Harassment Policies.

5. PROTECTING GROUP ASSETS

Employees must use Group assets only for authorised business purposes and in accordance with the Group's Policies. Group assets encompass not only assets owned by the Group but also assets managed by the Group on behalf of third parties such as guests, customers or hotel owners. 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, cash, food and beverage items, data (including personal data of guests and employees) confidential information, and all forms of intellectual property including patents, trademarks, copyrights, proprietary information and work products.

The Group operates various programmes involving loyalty points, discounts, gift vouchers, promotional offers and preferential room rates for the benefit of loyal guests, customers and employees. Employees are required to adhere to the terms and conditions of these programmes and ensure that the benefits extended by these programmes are not misused or resold for profit. Any misappropriation of loyalty points by employees is a violation of this Code.

6. 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 dedicate their time and attention to Group matters and reasonably avoid personal activities that detract from their normal duties or 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, or the Group's reputation. 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. In each of these areas below, employees shall make declarations and/or seek approvals under the Group's Policies.

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 are not permitted to engage in any outside employment or provide any services as a consultant, advisor or similar, without the prior approval of the Human Resources Department or engage in any business ventures that may interfere with their ability to perform their duties for the Group in an objective, effective and timely manner or which may negatively impact the reputation of the Group. Employees must refer to the Group's Outside Employment Policy.

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 Finance Department and 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 and the Group's Policies.

In this section, the term "advantage" (commonly known as "bribes", "kickbacks" or "sweeteners") includes anything that could be of benefit or value to the recipient, regardless of what the monetary amount of such "advantage" may be. This may include but is not limited to any form of payment, gift, property, loan, fee, donation, commission, reward, favour, employment, contract, service or accommodation.

The Group strictly prohibits all forms of bribery and corruption. Employees must :

- (a) decline any advantage offered to them if accepting the advantage would violate applicable laws or the Group's Policies or may otherwise compromise, or appear to compromise, their ability to make objective 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, directly or indirectly, 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, directly or indirectly, to any person or entity to improperly influence such person or entity in obtaining or retaining business for, or directing business to the Group or any other improper benefit for the employee individually or for 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 any person or entity; and
- (e) not give any discounts, pay any commissions, make any payments, concede any favorable terms or provide any advantages to any person in the conduct of the Group's business.

For the avoidance of doubt, all forms of bribery and corruption conducted indirectly through a third party (such as an agent, consultant, or intermediary) are also strictly prohibited. It is important to ensure that all third parties engaged by the Group adhere to the same standards of integrity and compliance with anti-bribery and anti-corruption laws. Any attempt to circumvent applicable laws, this Code, or the Group's Policies pertaining to anti-bribery and corruption through indirect means will be treated with the same severity.

9. GIFTS AND ENTERTAINMENT

The Group recognises that there will be circumstances when it is appropriate, out of courtesy, relationship building or in line with cultural norms, to give or receive small gifts of nominal value with business associates or provide and receive reasonable business meals or entertainment to or from business associates. For example, 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. Any offer or receipt of business gifts, meals, hospitality and entertainment must be done so :-

- (a) on a voluntary basis, openly, and transparently;
- (b) for a legitimate business purpose; and
- (c) in accordance with local market practice, all applicable anti-bribery and corruption laws, this Code, and our Group's Policies.

The business gift, meal, or entertainment offered or received must not be inappropriate or excessive. There must be no reasonable likelihood of improper influence on the performance of duties by the intended recipient. Employees must decline gifts, entertainment or other advantages that could compromise, or appear to compromise, their ability to make objective and fair business decisions. The monetary value of a gift, meal, or

entertainment is not the sole factor to consider when determining whether such gift, meal, or entertainment is improper. However, gifts over a value of US\$100 should generally be declined. 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 regular business 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") both during and after their employment with the Group.

Employees must not disclose any Confidential Information to outside parties unless authorised 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 or theft of Confidential Information.

Upon leaving the Group or at such time as may be requested by the Group, employees must return all Group property, including documents, devices, and any other materials containing Confidential Information.

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

11. INFORMATION AND CYBERSECURITY

Each employee has a duty to ensure that their actions do not compromise the security of the Group's information systems and data. Employees are required to adhere to the Group's cybersecurity, artificial intelligence, acceptable use, retention and related IT Policies.

Employees must not modify, disable or circumvent any security controls or applications (e.g. anti-virus software) when using the Group's information systems or Group-issued devices.

Employees must not cause or allow third parties to access the Group's information systems and data without proper authorisation and compliance with the Group's Policies. Employees should remain alert to potential cyber threats, including phishing emails, suspicious links, and communications from unknown sources.

The Group reserves the right to audit, monitor, search, access and review network traffic, Group-issued devices, and all emails and information in the Group's systems. Emails sent or received on the Group's email system are the property of the Group.

12. 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 authorisation 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, disposal or use of any personal data is in accordance with the Group's Policies and procedures on privacy and data protection and the applicable data protection laws and regulations. Employees must familiarise themselves with the Group's Policies (especially, the Corporate Data Protection Policy), as failure to do so may result in disciplinary action. Employees must report any actual or suspected privacy or security breaches or violations of the Group's Policies to the Data Protection Officer immediately. Employees must fully cooperate with the investigations into such breaches or violations and comply with the remediation and notification procedures. 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.

13. INSIDER DEALING

Employees are prohibited from using Confidential Information to secure personal advantage or gain. Employees must not trade in the listed securities (or their derivatives) of the Group while in possession of any inside information (also commonly referred to as material non- public information) about the Group. Inside information is information not generally known to the public, that is likely to have a material effect on the price of listed securities. In general, "materiality" is judged by whether the information would influence persons in determining whether to buy or sell stocks.

Employees must not disclose any inside 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. Restrictions on insider dealing include prohibitions against encouraging or procuring a third party to deal in relevant listed securities where the employee is in possession of inside information.

14. 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 familiarise themselves and fully comply with applicable laws and regulations.

15. 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.

Employees must not resort to fraudulent or deceptive practices in the conduct of their duties. The intentional creation of false, misleading and deceptive business records or documents is strictly prohibited. The destruction or alteration of documents, books and records with intent to conceal information is also strictly prohibited.

Employees must ensure that they comply with applicable reporting requirements under the Group's internal controls processes on a timely and accurate basis. Depending on the employee's role, these may include the reporting and/or proper maintenance of records pertaining to matters such as work hours, absences, material incidents and other matters as applicable.

16. 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 health and safety incident or risk, hazard, defective equipment, danger, suspicious activity, or any other security concern immediately to their supervisors.

The Group 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 legalised 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.

The health, safety and security of the Group's guests, customers and visitors can be affected by the actions of any person on the Group's premises as well as the actions of any contractors, suppliers or other entities/personnel that the Group engages.

Employees should undertake appropriate diligence prior to engaging third parties, and regularly assess their health and safety standards and performance in accordance with the Group's Procurement Policy and Health and Safety Policy. Third party personnel must be hired in accordance with the Group's Human Resources Policies, with appropriate diligence and ongoing monitoring to ensure that such persons are properly trained and qualified for the role. An enhanced level of diligence is required when engaging third parties and personnel whose work scope entail a heightened degree of health and safety risks, including where children, elderly or the vulnerable are involved.

The Group encourages active participation by employees in all its health and safety training and refresher courses. Employees whose roles require specialised training or certifications must take reasonable steps to ensure that their training and certifications remain up to date.

17. 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. Employees taking part in activities which bring the Group's reputation into disrepute or impair the Group's ability to meet any applicable legal or regulatory requirements may face disciplinary action including termination of employment.

18. SUSTAINABILITY

The Group is committed to operating in an economically, socially and environmentally responsible manner while balancing the interests of our diverse stakeholders in order to make a long-term positive impact on our local communities. Our ESG strategy is underpinned by strong corporate governance, with an emphasis on topics that are material to our business and stakeholders. Many of these material topics are considered throughout this Code.

The Group holds itself accountable to international standards on corporate sustainability. As stewards of society and the environment, employees must carry out their work in keeping with the Group's Environmental, Human Rights and Responsible Sourcing Policies, as well as other Policies referenced in this Code. Aspects

covered by these Policies include carbon footprint, energy efficiency, biodiversity, water conservation, waste management, labour practices, and more.

Employees are encouraged to reduce the amount of waste that goes to landfills by reducing and diverting our waste. Where local conditions permit, waste can be diverted by reusing, recycling, donating surpluses, and composting. Employees must handle, store and dispose of waste safely and responsibly, in accordance with applicable procedures and the Group's Environmental Management System. Waste management procedures applicable to any form of hazardous material, toxic substances or waste must be strictly complied with.

The Group aims to build a better shared future by, among other things, uplifting local communities and considering local culture. 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.

Where appropriate, employees should undertake reasonable diligence and ongoing monitoring of business partners or other third parties in the Group's chain of activities to assess the extent to which their standards are consistent with the Group's human rights and sustainability commitments.

19. 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. All content relating to the Group or its associated entities/persons shared on employees' personal and professional social media channels must remain in line with the Group's Policies, violation of which may result in disciplinary action.

20. 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 and the Group's Policies including those on anti-money laundering, customer due diligence, suspicious transaction reporting, and ongoing monitoring.

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.

21. 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. As per the Group's Human Rights Policy, 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.

22. 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 lawful political activities in their own time, they must not create the impression that they represent the Group in these matters. Employees must not take part in any unlawful political activities.

23. 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 and Whistleblower Protection Policy which sets out the process in which such reports are to be made.

Employees making a report in accordance with the Whistleblowing and Whistleblower Protection 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 and Whistleblower Protection 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.

24. 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 will be periodically reviewed and 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 the Human Resources Department 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 2024 as follows:

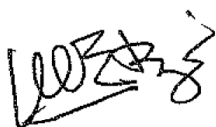
1. The Audit Committee checked the reliability of financial reports by reviewing the quarterly and annual financial statements. The Audit Committee invited external auditors and the management to attend the meetings to consider that financial reporting was in conformity with the auditing standards, the 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 2024 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 24 February 2025, the Audit Committee also reviewed the financial statements of the Company for the year ended 31 December 2024 prior to recommending them to the Board of Directors for approval.



Mr. Kledchai Benjaathonsirikul

Chairman of the Audit Committee*

25 February 2025

* Mr. Kledchai Benjaathonsirikul was appointed as the Chairman of the Audit Committee at the Board of Directors' Meeting on 24 February 2025.



SHANGRI-LA

Shangri-La Hotel Public Company Limited

89 Soi Wat Suan Piu, New Road, Bangrak, Bangkok 10500, Thailand

☎ +662 236 7777

✉ bangkok@shangri-la.com

🌐 www.shangri-la.com