SHANGRI-LA

HOTELS and RESORTS

Annual Registration Statement/ Annual Report 2021

(Form 56-1 One Report)

CONTENTS

2 Vice Chairman Statement

Part 1 Bussiness Operation and Operating Results

9 Organization Structure and Operation of the Group of Companies

34 Risk Management

35 Business Sustainability Development

50 Management Discussion and Analysis (MD&A)

63 General information and other material facts

Part 2 Corporate Governance

64 Corporate Governance Policy

69 Corporate Governance Structure and Significant Information related to the Board of Directors, Subcommitees, Executives, Employees and Others

78 Report on Key Operating Results related to Corporate Governance

82 Internal Control and Related Party Transactions

Part 3 Financial Statements

83 Financial Statements

Attactments

140 Attactment 1
Information of Directors, Executives, the Person assigned to take the highest responsibility in Accounting and Finance and Company Secretary

149 Attactment 2
Details of the directors of Subsidiaries

150 Attactment 3
Details of the Internal Audit and Compliance Units

151 Attactment 4
Assets used in Business Undertaking and Detail of Asset Appraisal

152 Attactment 5
Unabridged policy and Guidelines on Corporate Governance and Unabridged Code of Business Conduct prepared by the Company

161 Attactment 6
Report of the Audit Committee

Vice Chairman Statement

On behalf of the Board of Directors, I am pleased to present the Annual Registration Statement/ Annual Report 2021 (Form 56-1 One Report) of Shangri-La Hotel Public Company Limited.

Overall

The COVID-19 outbreak that started by the year end 2019 and became the global pandemic throughout the following year has brought the world to a standstill. Hospitality sector was one of the hardest hit economic sectors, mainly due to the introduction of travel restrictions. In 2021, it is expected to recover at a slow pace due to a sluggish tourism recovery and scarring effects from the crisis. Thailand received approximately 140,000 international tourists in 1H 2021, a sharp decrease of 98% YoY from 7.1 million in 1H 2020, as the international travel restrictions remained in place. In 1H 2021, 44% of the total number of international visitors were from Europe, followed by East Asia (28%) and the USA (13%), replacing China as the largest market feeder as the Chinese outbound travel ban continues. Despite vaccination rollouts in many countries, foreign tourist arrivals are expected to reach only 0.2 million in 2021 due to new variant concerns and gradual reopening policy stance from other economies.

Hotel occupancy rates fell significantly at the beginning of 2021 due to the measures enforced by the Thai government after the second outbreak in Samut Prakan province that rapidly spread over Bangkok. The increase of COVID-19 cases resulted in a drop in demand for accommodation. Despite the relative success of Thailand's approach to containing the spread of the COVID-19 pandemic, the COVID- 19 vaccine rollout has been slow. It started in late February 2021, and as of May 2021, the vaccination rate was at only 3.6% with at least one dose of vaccine. The number of international tourists remained low.

Thailand's worst wave of infections began in April, and reached its peak in June with new restrictions enforced for Bangkok and other nine provinces, taking effect from June 28 for at least 30 days. With no end in sight to the pandemic and the resume of international cross-border tourism activity, the pandemic continue to be an obstacle to the performance of the Thai hotel industry in 2021 and beyond. Once the restrictions are eased and the mandatory quarantine removed, was expected to make a gradual recovery supported by the pent-up demand from international leisure travel, which makes up the vast majority of visitors.

The amount of domestic trips in 2021 is estimated at only 67 million trips due to the prolonged effects of the pandemic. As for 2022, Thailand's domestic tourism first scenario would see 155 million trips or seeing the domestic tourism to recover significantly if the pandemic situation constantly improves throughout the year with no major outbreaks.

In the remaining year of 2021, the Baht is expected to depreciate due to slower-than-expected recovery of the Thai economy and current account deficits.

Global economy saw recovery from vaccine rollout, policy support, and continued supportive financial conditions, responding to COVID-19 resurgence. The IMF forecasted the major economies in 2022 to be slightly gradual, with the exceptions of ASEAN and Japan which saw higher growth in 2022.

- Shangri-La Hotel, Bangkok

Due to the global travel restrictions continue into 2021, the hotel's operation and revenue target were inevitably affected.

In any case, Thailand has gathered its learnings from the "sandbox" approach and proceeded to reopen the country to receive international travelers. As of 1 November, 2021, the Thai government commenced a phased reopening of the country, allowing fully vaccinated tourists from 63 low-risk countries to visit with one day of quarantine, provided they pass a COVID-19 test upon arrival. The government has also replaced the slow-paced Certificate of Entry (COE) system with the Thailand Pass System, in an effort to make the documentation process of travelers entering Thailand more efficient than the COE application. The program also expanded the number of provinces open to international visitors to 17, including major tourism destinations such as Bangkok and Chiang Mai. Subject to readiness, additional major provinces are expected to reopen from December 2021 onwards. To ensure visitor safety, some COVID-19 measures remain in place, although most businesses have been allowed to reopen and night time curfews have been lifted in almost every province. The reopening has welcomed tourists globally, with top visitors coming from Thailand's key source markets—the United States, Germany, and the United Kingdom.

Nonetheless hotel's main strategy continue to focus in domestic market, mainly driven by staycation packages and food & beverage. With the various marketing efforts and contingent strategies to cope with the soft demand, the hotel was able to secure a fair revenue which helped to minimize the financial impact of drastic loss. We shifted our focus to the domestic market and attracted local travelers by promoting the hotel in collaboration with the We Travel Together campaign. Many luxury hotels offered deep discounts and attractive promotions to capture the medium- to high-spend domestic-tourist segment.

These efforts to stimulate domestic travel were temporarily paused as COVID-19 cases reached a new high in July 2021. Domestic air travel in and out of red zones, including Bangkok, was banned during July to September 2021 in response to the nation's effort to control the spread of the Delta variant. Phase three of the We Travel Together campaign was paused during the same period, but resumed in October 2021.

At the year-end 2021, the hotel reached 8.2% room occupancy with a decline 7.1% in 2020 with the Room revenues of Baht 83.2 million compared to Baht 233.2 million. Food and Beverage revenues (including catering and convention revenues) was Baht 109.8 million compared to Baht 197.9 million in 2020 which the dropped was due to the restriction of capacity from April to September or decreased by 44.5%. As a result, the hotel's Operating Revenues dropped to Baht 258.0 million from Baht 505.0 million or fell by 48.9% from 2020.

- Shangri-La Hotel, Chiang Mai

Shangri-La Hotel, Chiang Mai celebrated its 14th year of Excellence on 22 December, 2021. Year 2021 total operating revenue was Baht 76.5 million. The hotel closed the year with occupancy of 16.8% as compared to 22.7% in 2020.

Results

The consolidated loss before corporate income tax for the financial year ended December 31, 2021 was Baht 582.5 million as against a loss before corporate income tax of Baht 1,058.1 million during the same period in 2020. The consolidated net loss attributable to the equity holders of the Company for the year was Baht 492.8 million as against a net loss of Baht 983.1 million in 2020. This resulted in loss per share of Baht 3.79 in 2021 as against loss per share of Baht 7.56 in 2020.

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 decreased by Baht 247.0 million or 48.9%. Occupancy decreased by 7.1 percentage points. The Average Daily Rate ("ADR") decreased by Baht 1,993.5 or 39.0%. Food and Beverage revenues decreased by Baht 88.1 million or 44.5% and formed 42.6% 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 70.1 million or 47.8%. Occupancy was lower by 5.9 percentage points. The ADR decreased by Baht 1,927.3 or 54.6%. Food and Beverage revenues decreased by 21.5% and formed 58.7% of the hotel's total operating revenues.

Hotel Operations

- Shangri-La Hotel, Bangkok

Shangri-La Hotel, Bangkok started the year 2021 with 673 colleagues and ended with 547 colleagues. All colleagues were trained and pushed through in maximizing productivity which we could optimize the ratio of Temporary Colleagues versus Permanent Colleagues in line with steady business volumes. There was a total of 622 Full Time Equivalent ("FTE") in 2021 compared to 845 FTE in 2020, with a decrease of 26.4%.

The labour cost percentage to gross operating revenue ("GOR") was at 83.5% compared to last year of 64.2%.

- Shangri-La Hotel, Chiang Mai

Shangri-La Hotel, Chiang Mai started the year 2021 with 231 colleagues and ended with 177 colleagues. During the year, colleagues were trained and redeployed to different departments, wherever required, with the objective of maximizing productivity and eliminating the need for casual and contract staff. Total 203 FTE in 2021 compared to 286 FTE in 2020.

The labor cost % to GOR was at 84.9% compared to last year of 62.8%.

Capital Improvement

- Shangri-La Hotel, Bangkok

During the year, the hotel invested in waterproofing for flat roof at Main Wing with the aim to enhance its operation efficiency of reduce the leakages and repairing cost in the long run. Repairing the centrifugal chiller of water-cooled type to generate air-condition to the building for the comfort of its occupants. The hotel also upgraded rooms with updated electrical sockets and USB port for Main Wing rooms and suites.

- Shangri-La Hotel, Chiang Mai

As a result of the pandemic, no major capital improvement projects were carried out.

Investment

- 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 0.3 million in 2021, which represents a decrease of USD 4.2 million or a decrease of 93.3% from previous year. The Hotel closed effective 1 February, 2021 and occupancy of 0.7 percentage points in 2021 as compared to 17.7 percentage point in 2020, on room inventory of 466 units. Average Daily Rate decreased to USD 61.1 or 23.3% compared to USD 79.7 in prior year. Food and Beverage revenue also recorded USD 0.1 million or a decreased of USD 1.4 million compared to year 2020. The hotel recorded net loss of USD 6.4 million.

Long Term Loan of USD 50 million was finally disbursed by International Finance Corporation (IFC) to TYCL in November 2014, which was fully utilized to repay Interest free and Interest bearing Shareholders Loan. The IFC loan repayment starts in 2016 with half yearly installments starting from March 2016 of USD 3.8 million each and the rate of interest as per loan agreement is 2.1% plus 6 month LIBOR rate, which currently is 2.293% p.a.. Outstanding IFC Loan payable as at 31 December 2021 was USD 13.5 million.

- Shangri-La Yangon Company Limited

Shangri-La Yangon Company Limited ("SYCL"), the 22.22% associated company held through Apizaco Limited and Zukerman Limited, operates 2 towers of serviced apartment - Shangri-La Residences, Yangon. Both Tower 1 and 2 became fully operational on 21 October 2014 with an inventory of 240 apartments. The Serviced Apartments closed the year 2021 with an occupancy of 53.6% (Last Year 70.5%) at an average monthly rental rate of USD 5,460 (Last Year USD 5,655), contributed to a total revenue of USD 8.6 million in 2021 (Last Year USD 11.7 million), decrease of 26.5% and gross operation profit of USD 5.4 million (Last Year USD 7.8 million), decrease of 30.8%. SYCL recorded net loss of USD 0.4 million.

Long Term Loan of USD 30 million was finally disbursed by International Finance Corporation (IFC) to SYCL in November 2014, which was fully utilized to repay Interest free and Interest bearing Shareholders Loan. The IFC loan repayment starts in 2016 with half yearly instalments starting from March 2016 of USD 2.3 million each and the rate of interest as per loan agreement is 2.1% plus 6 month LIBOR rate, which currently is 2.293% p.a.. Outstanding IFC Loan payable as at 31 December 2021 was USD 2.3 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 2021 with office occupancy of 73.6% at an average rent of USD 27.1 per sqm, contributed to a total revenue of USD 7.1 million and retail occupancy of 72% at an average rent of USD 6.0 per sqm, contributed to a total revenue of USD 0.3 million. Gross operation profit of 62.5% (USD 5.3 million) with the office leasable area of 29,706 sqm and retail leasable area of 5,247 sqm. TSCL recorded net loss of USD 3.3 million.

TSCL has signed Facility Agreement dated 5 May 2017 for Long Term Loan of US$ 55 million (Facility A : USD 25 million and Facility B : USD 30 million) from Bangkok Bank and OCBC Bank, Yangon at an Interest rate of 3 Month Libor +2.25% per annum. The repayment of this loan will be in 7 years with 1st year grace period from signing the Facility Agreement. Facility A of USD 18.4 million was disbursed by Bangkok Bank to TSCL during August to December 2017. Outstanding Loan payable as at 31 December 2021 was USD 9.6 million.

Future Prospects

- Shangri-La Hotel, Bangkok

The negative impact of the COVID-19 continues to ripple through the regional economy ever since it was first identified in China at the beginning of year 2019. Tourism is one of the most impacted sectors due to the sharp decline in visitor arrivals especially from China, Hong Kong and Taiwan. The country's economy has been heavily reliant on Tourism industry over 20% percent of annual GDP came from tourism industry alone. In 2021, it is expected to recover at a slow pace due to a sluggish tourism recovery and scarring effects from the crisis. Thailand received approximately 140,000 international tourists in 1H 2021, a sharp decrease of 98% YoY from 7.1 million in 1H 2020, as the international travel restrictions remained in place. In 1H 2021, 44% of the total number of international visitors were from Europe, followed by East Asia (28%) and the USA (13%), replacing China, the largest market feeder, as the Chinese outbound travel ban continues.

Tourism in major tourist destination has clearly been picking up despite the lingering spread of COVID-19, especially since the country's reopening on 1 November 2021. But of a sudden, there came an unexpected turning point – the spread of the Omicron variant of the coronavirus. A new outbreak of the highly-transmissible strain in many countries has consequently dealt another blow to Thailand's tourism yet again. The government was prompted to suspend its Thailand Pass scheme, allowing prospective visitors to register for their planned visit to the kingdom through the Test & Go scheme and the sandbox tourism promotion programs, except for one being operated in Phuket.

Despite this challenge, most tourism businesses still hope the tourism situation in 2022 will not be any worse than that of last year, considering the fact that the new virus variant appears to be less virulent even if it spreads rapidly. The country's COVID-19 vaccination coverage is now high so as its level of experience in coping with the pandemic in the past couple of years. The Tourism and Sports Ministry promotion plan for 2022 will be themed "Amazing Thailand New Chapter", introducing new selling points from January and collecting a 300-Baht entry fee from foreign tourists arriving in Thailand from April. The 300 Baht fee would be used to develop tourist attractions and for accident or death insurance for

all tourists. The maximum insurance payout would be 1 million Baht in the case of death and Baht 500,000 for medical expenses. The charge would be included in air fares. The means of collecting the entry fee from people arriving by land was still being considered.

Despite the prevalence of the Omicron variant of COVID-19, the government would continue with its tourism promotion campaigns.

- Shangri-La Hotel, Chiang Mai

Shangri-La Hotel, Chiang Mai is the city's only five-star hotel that caters for families, with a family concierge that ensures a fuss-free, and fun filled stay, and the city's largest free form swimming pool, so we will enhance on the Family market. The hotel will continue to remain in its position as one of the leading MICE hotels, and top wedding venues in Chiang Mai as there is a good chance that the demand may surpass the Hotel's supply in the city. Opportunity to explore wellness aficionados' emerging' markets for leisure travelers and local domestic will remain our core customers until international travel resumes in the future. Furthermore, F&B especially croissant was a strong and successful story for our hotel in 2021 therefore, this will bring the hotel to popularity among local community for bakery shop and leverage on China Kitchen awarded as Michelin Plate listed for 2 years consecutively.

Awards

In 2021 the hotel received several awards and recognition as follows:

- Shangri-La Hotel, Bangkok

- Ranked 1st in "Best Business Hotel in Bangkok", Readers' Poll Travel Awards 2021 by Business Traveller Asia-Pacific Magazine (November/December 2021 issue)
- Shangri-La Hotel, Bangkok, CHI, The Spa and the hotel's restaurants namely, NEXT2 Café, Shang Palace, Lobby Lounge, Volti and Salathip were awarded Amazing Thailand Safety and Health Administration Plus (SHA+) Certificate by the Tourism Authority of Thailand for hotels and businesses who not only meet the basic standards of hygiene and health safety (SHA) standards, but also have at least 70% of their staff vaccinated against COVID-19. (November 2021)
- AMCHAM Corporate Social Responsibility (CSR) Recognition Award for a "good governance and sustainable business practices reflecting the best traditions of business" for eight consecutive years, by The *American Chamber of Commerce in Thailand* (10 November 2021)
- Ranked 3rd in "Conde Nast Traveler's Readers' Choice Awards" in "Top Hotels in Bangkok" by Conde' Nast Traveler, US. (5 October 2021)
- Shangri-La Hotel, Bangkok received the TripAdvisor Travelers' Choice Award Winner 2021 (September 2021)
- Certificate for Thai Stop COVID-19 Plus, issued by Thailand's Ministry of Public Health for Shangri-La Hotel, Bangkok, CHI, The Spa, Health Club and the hotel's restaurants namely, NEXT2 Café, Shang Palace, Lobby Lounge, Volti and Salathip (July 2021)

- Shangri-La Hotel, Chiang Mai

- "Certificate of Excellence", TripAdvisor Travelers' Choice Award, 2021
- Five-star Hotel Standard certified 2021-2023 by Department of Tourism
- Green Health Hotel Certified 2021-2023 by Department of Health
- The "Safeguard" Hygiene Excellence and Safety label by Bureau Veritas certification 2021
- The Safety & Healthy Administration Extra Plus (SHA Extra +) certificate released by Tourism Authority of Thailand (TAT) 2021
- Five-star Hotel Standard certified 2019-2021 by Department of Tourism
- Thailand MICE Venue Standard Certified (TMVS) 2019-2021 by TCEB Food & Beverage
- Michelin Plate Listed "China Kitchen" in The Michelin Guide Thailand 2021

Appreciation

On behalf of the Company's Board of Directors, I would like to express my sincere thanks and appreciation of the hard work, diligence, loyalty and dedication of the management and the staff.

Mr. Maris Pakdeetaveevivat
Vice Chairman and Managing Director
21 February, 2022

Business Operation and Operating Results

Organizational Structure and Operation of the Group of Companies

Background

Shangri-La Hotel Public Company Limited ("Company") was established on January 8, 1981 by the collaboration of Thai Roong Ruang Sugar Group and a Hong Kong investor, Mr. Kuok Hock Nien. The objective is to operate a five-star hotel business. The first hotel constructed in Bangkok is a 25-story tower with a rooftop helipad featured 682 guestrooms, including restaurants, meeting rooms, function rooms, and fully equipped facilities so called "Shangri-La Hotel, Bangkok". It is located on the company-owned land of 12 rai, 2 ngan, 63 square wa. The Company has obtained an investment promotion certificate from the Thailand Board of Investment (BOI Certificate) under the Investment Promotion Act B.E. 2520 eligible for the exemption of import duty and/or sales tax on imported machinery and materials.

The Company started partial operations in March 1986 and fully operated in August of the same year.

Later in 1988, the Company purchased additional land of 5 rai, 2 ngan, 75 square wa, adjacent to the hotel parking building to construct a new tower called "Krungthep Wing." It consists of 3 buildings: a 16-story hotel building featuring 174 guestrooms, a 10-story office building for rent and shopping area, and a 10-story car park. The office building has 7,000 square meters of rental space and 3,000 square meters for shops. The construction of new buildings has also received investment promotion from the BOI with the exemption of import duty and/or reduction of 50 percent of sales tax on imported machinery. The Krungthep Wing was opened in August 1991.

In 1988, the Company purchased a plot of land on Changklan Road, Mueang District, Chiang Mai Province, with an area of 17 rai, 1 ngan, 69 3/10 wa with the intention to build another 5-star hotel. However, the overall economic conditions were unfavorable and several economic crises happened after purchasing the land. Consequently, the Company had to suspend the hotel construction project in Chiang Mai. At the end of 2003, the Company saw that the government had a definite policy to develop and promote Chiang Mai Province to be an aviation hub in Southeast Asia. Additionally, there is also a project to develop an international convention center in Chiang Mai. The Company, therefore, revitalized the construction of the Shangri-La Hotel Chiang Mai. This project has obtained the BOI Certificate with the permission to bring in skilled workers and experts to work into the Kingdom.

Shangri-La Hotel, Chiang Mai is a 12-story building with 281 guest rooms, 5 restaurants and bars, and 8 event spaces and meeting rooms. The grand ballroom can accommodate more than 1,600 people, including 1 large auditorium with fully equipped facilities. The Shangri-La Hotel, Chiang Mai has been operated since December 22, 2007.

Policy and Business Overview

The Company determines the policy and direction for operations, inclusive of business development models, in a continuous manner, to build stable growth and sustain the profitable generation, to be beneficial for shareholders in the long run. The Company has always recognized the importance of shareholders' transparency and accountability. It is the belief of the Board of Directors of the Company that shareholders can maximize their benefits from good corporate governance.

Business Overview

The Company's principal activities are those of a hotelier which provide 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 has 2 hotels as follows:

1. Shangri - La Hotel, Bangkok

2. Shangri - La Hotel, Chiang Mai

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

1) Apizaco Limited ("Apizaco"), a wholly-owned subsidiary of TDL, 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% of the total issued and paid-up capital of SA; and

1.2) Holding 100% 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% interest in Traders Yangon Company Limited;
1.2.2) Holding 22.22% interest in Shangri-La Yangon Company Limited; and
1.2.3) Holding 23.56% interest in Traders Square Company Limited.

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

3) TRR-Kerry Development Co., Ltd. ("TRR-Kerry"), a subsidiary in which TDL has a 57.33% interest, was incorporated in Thailand. It does not engage in any other business other than investment in Don Muang Tollway Public Company Limited by holding 1.46% shares. The value of investments at cost is approximately Baht 151.94 million.

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

The Company's associated companies are as follows:

1) Traders Yangon Company Limited develops 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 others services and facilities in connection with hotel business. Sule Shangri-La Hotel was formerly known as Traders Hotel (an international 4-star hotel) which has operated since November 1996. Traders Hotel has been re-branding as an international 5-star hotel and renamed to Sule Shangri-La Hotel, Yangon on 28 April 2014.

2) Shangri-La Yangon Company Limited develops and operates 2 towers of serviced apartment - Shangri-La Residences, Yangon located in Yangon, Myanmar. Shangri-La Residences, Yangon (Tower 1) was opened to operate on 21 November 2013 and Tower 2 was opened to operate on 21 October 2014. Total inventory of the two towers is 240 units.

3) Traders Square Company Limited develops a commercial complex in Yangon, Myanmar. The project has been commenced for construction on 24 March 2014 and was opened to operate on 1 December 2016. The project comprises of shopping malls and office spaces.

Our Vision

To be the best-loved hospitality group, pioneering new horizons and setting new benchmarks.

Our Purpose

We host people to the colorful joys of life in a sustainable manner.

Our Business

Inspired by our Asian heritage, we enable people to live, work, play, eat, and rest well through the environments we create and the memorable experiences we deliver.

Major changes and developments

During the year, Mr. Pong Sarasin, Chairman of the Board of Directors and Independent Director of the Company, passed away on 3 February 2021 and Mr. Suvat Asdathorn, Vice Chairman of the Board of Directors of the Company, passed away on 11 December 2021.

Moreover, the Board at its Meeting No. 5/2021 held on 9 August 2021, approved the appointment of Mr. Lee Hui Yeow as a Director of the Company in place of Mdm. Kuok Oon Kwong with effect from 9 August 2021 and be registered with the Department of Business Development on 13 August 2021. Mdm. Kuok Oon Kwong has resigned from the directorship of the Company with effect from 1 August 2021.

Following the passing of two directors and the appointment of a new director replacing a resigned director,there are a total of 11 directors remain in the Board and 4 out of 11 are independent directors. List of Board of Directors are as follows:

1. Mr. Maris Pakdeetaveevivat (Vice Chairman and Managing Director)
2. Mr. Chan Kong Leong
3. Mr. Lee Hui Yeow
4. Mrs. Chanida Asdathorn
5. Mr. Somkiat Asdathorn
6. Mr. Surin Asdathorn
7. Mrs. Pavinee Meensuk
8. Mr. Kovit Poshyananda (Independent Director)
9. Mr. Jayavadh Bunnag (Independent Director)
10. Mr. Kledchai Benjaathonsirikul (Independent Director)
11. Mr. Chor.nun Petpaisit (Independent Director)

Therefore, the Directors who are authorised to sign documents in binding the Company are as follows:

"Any two of Mr. Maris Pakdeetaveevivat and/or Mr. Chan Kong Leong and/or Mr. Lee Hui Yeow and/or Mrs. Chanida Asdathorn and/or Mr. Somkiat Asdathorn and/or Mr. Surin Asdathorn and/or Mrs. Pavinee Meensuk to sign jointly and affix the Company's seal."

Subsequent to the purchase of land for developing a new four-star hotel under the brand "Hotel Jen" (the "New Hotel") in January 2020, the Company has taken various factors including the economic status and the hospitality industry into consideration and will further decide on how to proceed with the Project plan and timeline as COVID-19 situation develops. In case the Company decides to further proceed on the development of the New Hotel, the Company will calculate the size of the New Hotel by combining the cost of the land and the total development cost. Subject to the size of the transaction, the Company will obtain necessary approvals and disclose the information in relation to the New Hotel Project to the Stock Exchange of Thailand as required by relevant laws and regulations.

There was no significant change in nature of business of the Company during the year.

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-disclosure-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, Bangkok 10110
Telephone : 0 2264 0777 Facsimile : 0 2264 0789-90

Legal Adviser
Baker & McKenzie Co., Ltd.
22-26/F., Abdulrahim Building, 990 Rama IV Road, Bangkok 10500
Telephone : 0 2636 2222 Facsimile : 0 2636 2000

Consultant Under The Licence Agreement and The Marketing and Promotion Agreement
Shangri-La International Hotel Management Pte. Ltd.
1 Kim Seng Promenade, #07-01 Great World City, 237994, Singapore
Telephone : (65) 69185660

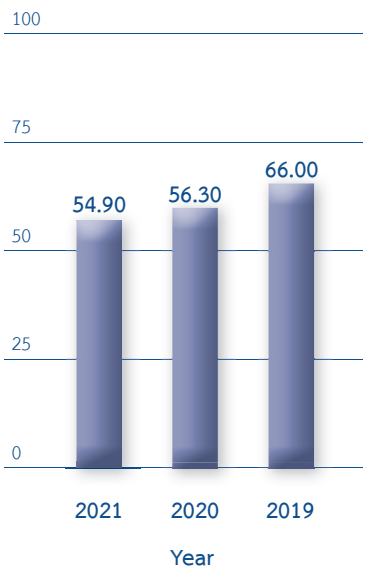
Financial Highlights

Three-Year Overview

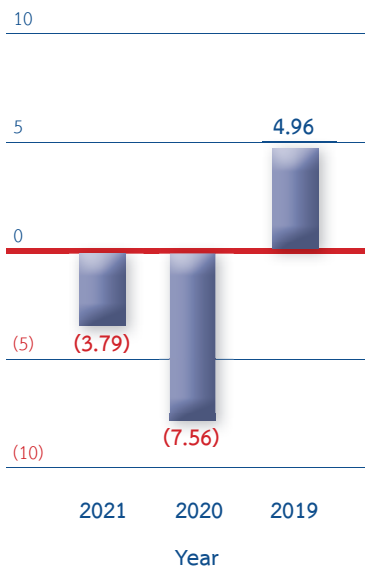
(Baht Million)

Consolidated	2021	2020	2019
Total Assets	7,577.45	7,678.67	9,276.76
Total Liabilities	326.29	297.67	635.37
Shareholders' Equity	7,137.52	7,318.65	8,580.26
Revenues from Hotel Operations	334.51	651.66	2,503.26
Total Revenues	355.87	663.32	2,569.65
Gross Profit	82.67	256.66	1,694.53
Profit / (Loss) before Income Tax	(582.53)	(1,058.13)	811.86
Net Profit / (Loss) after Income Tax	(492.81)	(983.11)	644.96
Gross Profit Margin	24.71%	39.39%	67.69%
Net Profit / (Loss) Margin	(138.48)%	(148.21)%	25.10%
Return on Equity	(6.82)%	(12.27)%	7.45%
Return on Assets	(6.46)%	(11.60)%	6.94%
Assets Turnover (Times)	0.05	0.08	0.28

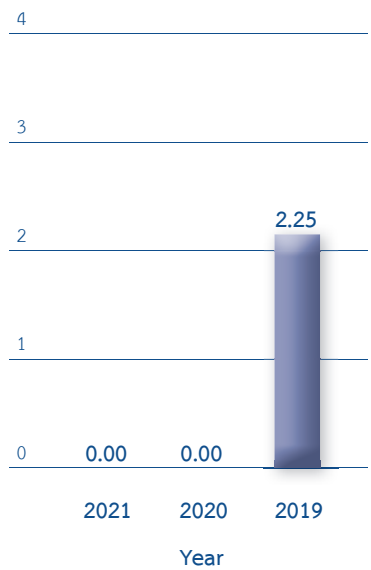
Book Value Per Share (Baht)



Earnings Per Share (Baht)



Dividend Per Share (Baht)



Revenue Structure

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

Main Activities	Managed by	% Equity Interest	2021		2020		2019	
			Revenue		Revenue		Revenue	
			Million Baht	%	Million Baht	%	Million Baht	%
Hotel and Restaurant	**Shangri-La Hotel Public Company Limited :-**							
	1) Shangri-La Hotel, Bangkok	100						
	- Room Revenue		83.16	24.86	233.24	35.79	1,139.57	45.52
	- Food & Beverage Revenue		109.83	32.83	197.94	30.38	755.34	30.17
	- Departmental Revenue		64.99	19.43	73.81	11.33	120.79	4.83
	Subtotal - Shangri-La, Bangkok		257.98	77.12	504.99	77.50	2,015.70	80.52
	- Shangri-La Hotel, Chiang Mai							
	2) โรงแรม แชงกรี-ลา เชียงใหม่	100						
	- Room Revenue		27.37	8.18	81.45	12.49	308.34	12.32
	- Food & Beverage Revenue		44.94	13.44	57.28	8.79	158.43	6.33
	- Departmental Revenue		4.22	1.26	7.94	1.22	20.79	0.83
	Subtotal - Shangri-La, Chiang Mai		76.53	22.88	146.67	22.50	487.56	19.48
Grand Total Revenues from Hotel Operation			334.51	100.00	651.66	100.00	2,503.26	100.00

Product / Service information

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

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

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

Most of the Company's customers are international tourists visiting Thailand and domestic and international business travelers.

- Shangri-La Yangon Company Limited

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

- Traders Square Company Limited

Traders Square Company Limited is a company engaged in rental business for shopping centers and office space, named Sule Square Mall & Offices, Yangon in Yangon, Myanmar. The project started construction on March 24, 2014 and Tower for service on December 1, 2016. The project consists of rental space for shopping centers and offices.

- Town Development Company Limited, TRR-Kerry Development Company Limited, Apizaco Limited and Zukerman Limited

Investment Holding.

- **Hasfield Holdings Pte. Ltd. and Traders Hotel and Resort Company Limited**

  Dormant.

Innovation management

As the Company engages in hotel business, various business components are required in order for the Company to maintain our leading position in the industry. Besides our high-experienced staffs who are regularly trained in accordance with the Shangri-La Group's standard, equipment and facilities used for providing services to our hotel guests are carefully selected and maintained to ensure highest satisfactory of the guests.

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

Industry Situation and Business Competition

- Shangri-La Hotel, Bangkok

Hospitality sector was one of the hardest hit economic sectors, mainly due to the introduction of travel restrictions. In 2021, it is expected to recover at a slow pace due to a sluggish tourism recovery and scarring effects from the crisis. Thailand received approximately 140,000 international tourists in 1H 2021, a sharp decrease of 98% YoY from 7.1 million in 1H 2020, as the international travel restrictions remained in place. In 1H 2021, 44% of the total number of international visitors were from Europe, followed by East Asia (28%) and the USA (13%), replacing China, the largest market feeder as the Chinese outbound travel ban continues. Despite vaccination rollouts in many countries, foreign tourist arrivals are expected to reach only 0.2 million in 2021 due to new variant concerns and gradual reopening policy stance from other economies.

Hotel occupancy rates fell significantly at the beginning of 2021 due to the measures enforced by the Thai government after the second outbreak in Samut Prakan province that rapidly spread over Bangkok. The increase of COVID-19 cases resulted in a drop in demand for accommodation. Despite the relative success of Thailand's approach to containing the spread of the COVID-19 pandemic, the COVID-19 vaccine rollout has been slow. It started in late February 2021, and as of May 2021, the vaccination rate was at only 3.6% with at least one dose of vaccine. The number of international tourists remained low.

International tourism rebounded moderately during 2H2021, with international arrivals down 62 per cent in both Q3 and Q4 compared to pre-pandemic levels. According to limited data, international arrivals in December were 65 per cent below 2019 levels. The top 10 countries were – The United States of America, Germany, The United Kingdom, Japan, South Korea, Russia, Switzerland, Sweden, France and The United Arab Emirates. These arrivals entered Thailand through various exemptions and alternative quarantine schemes depending on the airport of entry and destination such as "Test & GO", "Living in the Blue Zone" and "Happy Quarantine".

The amount of domestic trips in 2021 is estimated at only 67 million trips due to the prolonged effects of the pandemic. As for 2022, Thailand's domestic tourism first scenario would see 155 million trips generating Baht 700 billion of local income or seeing the domestic tourism to recover significantly if the pandemic situation constantly improves throughout the year with no major outbreaks.

The Bank of Thailand ("BOT") reduced its foreign tourist arrival outlook for 2022 from 6 million to 5.6 million. This figure is in line with the bank's existing assessment regarding downside risks for tourism amid higher uncertainties for an outbreak. However, despite the prevalence of the Omicron variant of COVID-19 the government would continue with it's tourism promotion campaigns.

Global economy saw recovery from vaccine rollout, policy support, and continued supportive financial conditions, responding to COVID-19 resurgence. The IMF forecasted the major economies in 2022 to be slightly gradual, with the exceptions of ASEAN and Japan which saw higher growth in 2022.

- Shangri-La Hotel, Chiang Mai

Business continues disrupted by COVID-19 pandemic outbreaks and impacted overall hotel revenue from 26 January 2020 onwards. The negative effect of COVID-19 of 2021 started with third wave of pandemic outbreaks through Chiang Rai province which directly affected Chiang Mai and slowed the booking pace from December 2020 until beginning of the year 2021 especially effected on room revenue with many restrictions from government such as interprovincial traveling, limited number of gathering for function etc. Therefore, we rapidly changed strategies to concentrate on Food and Beverage, starting from lunch and coffee break box take-away, delivery, morning drive-thru for coffee and croissant. This gave hotel the opportunity to open more shops for croissants at shopping malls and became the successful story of the most popular croissant shop which had to queue for a month and come to be main revenue generated surpass room. Our croissant revenue reached 2.6 million in May and continued in June for 2.4 million with a full year revenue contribution of 13.6 million for selling croissant alone. This year it is a remarkable success of food and beverage outlet which is above budget by 6 million. However, room revenue is behind budget because of no international traveler allowed and interprovincial restriction of domestic traveler by government restriction which overall hotel revenue below budget by 61.7 million.

The hotel still emphasizes on hygiene and safety precaution measurements e.g., the Shangri-La Cares, Amazing Thailand Safety and Health Administration Extra Plus (SHA Extra +), which is certified by Tourism Authority of Thailand (TAT) and Shangri-La Chiang Mai, certified by BUREAU VERITAS (BV). Our staff has been already vaccinated for 98.3% and the hotel also participate on COVID -19 Free Setting from Ministry

of Public Health which gave the customer high confident while they stay with us. Furthermore, the hotel participated in all government subsidy programs for FITs and Groups business. The most revenue generating program from government is We Travel Together (Rao Tiew Duay Gun). In addition, the hotel conducted and participated in many "Flash Sales" to stimulate the room nights, covers for F&B, CHI, the Spa treatment. This year we participate in the 3rd party online e-commerce platform which opened another channel to reach local domestic customer.

To strengthen MICE entrepreneurs in response to COVID-19 Outbreak, Thailand Convention & Exhibition Bureau (TCEB) has announced project focusing on digital-based MICE services and health safety standards. TCEB will provide a 30,000-Baht subsidy for each MICE venue to formulate and implement COVID-19 screening and prevention measures as stipulated by the Ministry of Public Health. The Shangri-La Hotel, Chiang Mai participated and applied to this program for MICE business. This year the hotel had 11 online and virtual meetings during restriction periods and limitation on guest participation.

TAT confirmed that Thailand is to welcome fully vaccinated foreign visitors, including returning Thais and foreign residents, from the approved 63 countries/territories to enter the Kingdom by air with no quarantine requirements from 1 November 2021 until new COVID-19 variance called Omicron happened and government suspend T&G program on 22 December. Scoot Air operates direct flight from Singapore to Chiang Mai and received a good result on this program.

Economy and Political Situation

The overall economy in the Northern Region as of third quarter 2021 from the BOT, contracted from the same year and the previous quarter from the epidemic with the increasing severity of COVID-19, measures have been upgraded. Stricter controls in many provinces affect the business Trade and services shrink more. Real estate business continued to shrink from purchasing power that has not recovered, except for the business production for export improved from the previous quarter in line with the recovery of international market. Tourism and trading business showed signs of improvement slightly at the end of the quarter after the easing of control measures.

Service and tourism businesses contracted from the same period last year from raising the level of control measures intensifying the spread of COVID-19 in many provinces, measures to limit travel throughout the country and canceled flights from the scarlet area from July 21, 2021, causing the number of people traveling to the North, both by land and the air are clearly reduced. The average occupancy rate is still below 10 percent, although starting to improve slightly at the end of the quarter. For mid-range hotels with more than 100 rooms in major tourist provinces are temporarily closed, and it is expected to reopen for business again in the 4th quarter of 2021.

Full-service restaurant that can sit and dine-in the restaurant average cover less than 50 percent from normal conditions because customers still concerned about the epidemic and refraining from selling drinks alcohol in the shop as well as massage and spa businesses income has also dropped considerably and remain closed.

Employment increased slightly from the previous quarter in the business of manufacturing for export that has improved mostly unpopular hiring permanent employees, but on a temporary basis, e.g., Day-to-day contracts with skilled labor to support orders that increase the employment trade has slightly increased in the job segment.

- Sule Shangri-La Hotel, Yangon

The hotel has been temporarily closed since 1 February, 2021. This is primarily due to the ongoing pandemic.

The hotels in our competitve set are listed below. With the exception of Pullman, all the hotels are currently open and operational.

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

In 2021, hotel supply contraction by 31% (1,743 rooms per day) due to the temporary closures of Sule Shangri-La, Wyndham, Rosewood, Pullman and Sedona hotels.

In 2022, hotel supply is expected to grow by 22% (851 rooms per day) with some of the existing hotels reopening by the end of Q1.

- Shangri-La Residences, Yangon

Shangri-La Serviced Apartments, Yangon are fully operational with an inventory of 240 apartments, top supporters mainly are embassies and foreign companies.

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

Golden Hill:	Primary competitor, Japanese managed	(210 units)
Lotte Serviced Apartments	Key Competitor	(315 units)
Mercure - Kaba Aye	Mid-range apartments	(183 units)
Marina Residences	Locally owned, mid-range	(128 units)
Sakura	Mid-range, Japanese managed	(262 units)
Kantharyar Serviced Apartments	Mid-range apartments	(171 units)

- Sule Square, Yangon

Traders Square Company Limited branded the commercial complex as “Sule Square” and opened for commercial business on 1 December, 2016. As at 31 December 2021, the total available leasable area for offices is 29,706 sqm and Retail is 5,375 sqm.

The Myanmar Economy

The economy is expected to contract around 18 percent in Myanmar’s 2021 Fiscal Year (Oct 2020-Sep 2021). An 18 percent contraction, coming on top of weak growth in FY2020, would mean that the country’s economy is around 30 percent smaller than it would have been in the absence of COVID-19 and the military takeover of February 2021.

In FY 2022 (October 2021–September 2022), GDP is projected to recover slightly, although this will be partly due to a base effect and growth will be weighed down by the ongoing armed conflict. Risks are tilted to the downside, with further international sanctions, the public health situation, a potential banking crisis and the value of the kyat across all key sectors.

Around 1 million jobs would be lost, and many other workers will experience a decline in their incomes due to reduced hours or wages.

The hotel sector in Yangon has been drastically impacted and as per local news, it is estimated that many hotels have been forced to shut down due to lack of travelers, especially in tourist destinations. Also, with the slow travel opening within the region, there is a possibility of Myanmar opening their airport for limited commercial flights by the end of Q1 2022, however due to low vaccine distribution, and different variants popping up from time to time, demand is expected to remain soft. In Yangon, within the 5-star hotel segment, Rosewood opened briefly and then closed. Sedona, Pullman and Wyndham are closed. Wyndham has however started taking Chinese charter flights for quarantine. Pullman is expected to open in Q1 2022. Apart from these hotels, all other hotels in our Primary and Secondary Competitive set are all open such as Pan Pacific, Park Royal, Chatrium, Lotte, Melia, and Novotel.

Yangon occupancy is below 10% and average room rate is USD 60. Their main revenue source for room business is oil and gas crew business, long stays and quarantine guests. For F&B, the main source of revenue is at their restaurants and banquet (social/ wedding events), especially on weekends.

Marketing Strategies

- Shangri-La Hotel, Bangkok

The number of visitors and business activities in Bangkok had dropped significantly since the first half of 2020 because of the COVID-19 pandemic. As a result, demand for hotel rooms fell dramatically. The hospitality sector faced tremendous challenges in the short term. The average occupancy rate in Bangkok decreased sharply below 50% and the ADR dropped as hotel operators competed to attract a lower number of visitors.

To stimulate the domestic market, the Thai Government continue to support the “We Travel Together” scheme with 2 million room nights in late January to March of the 40% subsidy. In response to this campaign and to encourage the local market, the hotel rolled out Shangri-La’s Staycation Offer and flexed the Package offerings as well as Best Available Rate (BAR) for Individual (FIT) segment. Pricing and conditions for group meeting, incentive and catering were dynamically flexible for each requirement to ensure high conversion rate.

In the meantime, maximum capacity of hotel’s facilities including meeting rooms, restaurants, Health Club and public area were carefully revised by reducing to half to maintain physical distancing and elevate our health & safety measures. Aligning with Thai public health’s regulations, the hotel corporate’s initiative, “Shangri-La Cares”, had been introduced to public highlighting customer’s health and well-being as our utmost priority. This new practice aimed to assure the customers’ confidence resulted in positive sentiment during the vulnerable situation. A number of market research also found that Health, Hygiene and Safety ranked as the top concerns when choosing accommodation or weekend getaway.

In 2021, Shangri-La Hotel, Bangkok continue to promote Alternative State Quarantine (ASQ) package targeting upscale inbound tourists and travelers entering Thailand as the government eased travel regulations from 14-days to 7-8 days & 10 days quarantine during 1 April-30 April. The package has become a pivotal source of revenue in addition to the domestic market. Thailand's worst wave of infections began in April, and reached its peak in June with new restrictions enforced for Bangkok and other nine provinces, taking effect from June 28 for at least 30 days which quarantine reverted back to 14 days.

Hotel's facilities including meeting rooms, restaurants, Health Club and spa was not in operations from end of April to September as per Bangkok Metropolitan Administration ("BMA") measures. The hotel adhered to BMA measures and regulations as per the current announcements.

The unprecedented crisis has prompted more emphasis on domestic market rather than inbound travel. Flexibility and affordability became necessary to attract Thai travelers whose income had been greatly affected by the pandemic. The hotel had been actively participating in various consumer fairs and collaborating with leading lifestyle shopping malls to promote luxury hotels among local market. Several initiatives were made to seek for new demand such as flash sales campaigns or a partnership with sister properties in promoting room packages, food & beverage offers, spa treatment as well as wedding packages. The hotel also focused on social media platforms as a marketing tool to navigate incremental demand and communicate directly with potential local customers, such as Facebook Live sales, LINE Shop flash sales and Instagram's post activities allowing the hotel to have more engagement with the followers. These marketing and sales activities had effectively helped to boost more short-term revenue, secured base occupancy and gained the brand awareness among local market.

Targeting Customers

The COVID-19 outbreak, which had later become global pandemic in early 2020, had put international travel into hibernation as every country imposed travel restrictions and border closure to prevent further spread of the virus. The primary focus for hotel in 2021 was to continue to boost demand among domestic market which was mainly holidaymakers residing in Bangkok and nearby municipalities. They were either those who frequently seek for value-of-money offers when choosing hotel's products or those who searched for new trial experience as they were unable to travel abroad. Expatriates and family living in Thailand were among the main target with their high tendency in more spending for vacation or family gathering. The hotel had seen a spike in demand mostly over the weekend as well as public holidays.

The hotel continues to focus in dry catering group and wedding business where majority were small to medium which were impacted by the pandemic. The hotel has received postponement of events in 2021 was under restrictions in holding events due to the pandemic and restriction in holding events. There were postponement of MICE group in 2021 to 2022 and only small local corporate groups were holding events.

Alternative State Quarantine (ASQ) package was another hotel's target as stated in the previous section. By 2021, there were more than 122 mid-scale to luxury hotels in Bangkok approved as ASQ hotels with various locations and package price ranging from THB 40,000 to THB 200,000. Majority of customers who applied for ASQ package with the hotel were business travelers, followed by foreigners and Thai citizens who had family residing in the Kingdom as well as tourists under Special Tourist Visa (STV). The hotel also adjusted packages to the new Test & Go and Sandbox when it was applicable through Thailand Pass from 1 November, 2021 onwards.

In addition to the variety of benefits included in accommodation packages, food & beverage deals also widely appealed public attention due to various marketing efforts and more affordable price. The hotel had welcomed a number of returning customers who were familiar with the restaurants offerings and seek for attractive deals from time to time.

Digital Marketing

One of our key strategies has been revolving around enhancing E-Direct channel as the main source of booking creation since the past couple of years. This channel includes brand.com, Shangri-La application and mobile version website. Therefore, online advertising and growing our social media engagement, which includes Facebook and Instagram, have been increasingly important to support the strategy.

The number of fans on Facebook was relatively strong compared to the market with over 102,000 followers at the end of 2021, showing a growth of 7% from 2020. Hotel's official Facebook fanpage has become a more active online channel to engage directly with local Thai customers due to various campaigns and promotions targeting domestic market.

Number of Instagram followers in 2021 reached to 16,000 or grew by 20% compared to the previous year. The account helped to remind the hotel's followers about the products and sales offerings as well as updates from hotel regularly.

The hotel continued using Call-to-Actions and tracking codes in each social media posting to keep tracking on each campaign result. User generated contents from influencers, Key Opinion Leaders (KOLs) and guests for better engagement with the fans were utilized, resulted in high performing organic post for both Facebook and Instagram accounts.

Pricing Policy - Tier Pricing and Yield Management

Nearly 7 months of travel restrictions started in April 2021, pricing strategy remained the spotlight as Domestic market was highly competitive resulting in aggressive competition. Domestic travellers were also keen to travel by taking advantage of promotional campaigns and had become price-conscious consumers when venturing out for holidays or Staycation. Booking.com's survey showed that even though Thai travellers displayed the strongest intent to take trips, decision making factors mainly involved values and more flexibility due to the uncertain circumstance.

Shangri-La Hotel, Bangkok adjusted the Best Available Rate (BAR) as well as online offers to remain flat and allow more flexibility to be made including free cancellation or postponement. The Staycation Package which had been revamped a few times over the year offered great values with several perks especially when applying the government campaign "We Travel Together" as guests would need to pay merely 60% of the total accommodation rate. As a result, the package had been contributing to a substantial outcome.

Distribution and Sales Channels

From overall room revenue production, Hotel Direct remained the majority distribution channel representing 62.6% which came from booking made directly with the hotel by guests and up by 47.6% in 2020. Another 3% made through online intermediary channels followed by Offline intermediary channel (11.6%) including tour operators and travel agencies. Other contribution came from E-Direct channel (5.4%) which was mainly from the hotel's official website (Shangri-la.com).

In addition to the traditional distribution channel, the hotel optimized official Facebook fanpage and Instagram official account as a tool to engage with potential customers directly. In 2021 we only managed to broadcast one Facebook Live sales in 2H2021 to gain public attention on flash sales campaigns in combination with hotel's LINE Shop account as a marketplace for limited time offers.

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

Number of Competitors

Despite Thailand's tourism industry suffering a huge blow due to Covid19, Bangkok's hotel market remains resilient, with our research suggesting that 41 properties and 10,991 rooms are still in the pipeline.

In 2021, seven hotels with 2,064 rooms will open their doors – some are already in the pre-opening phase. Things will pick up further in 2022, with 11 launches and 3,074 new rooms being planned. Then in 2023, another eight openings are scheduled to bring 1,711 keys into play, while 15 more properties and 4,142 rooms are expected to complete in 2024 and beyond. Of these 41 new hotels, 28 will be in the four-star category, while 13 will be in the five-star luxury segment.

Bangkok's most anticipated openings – 2022 & 2023

- **Eastin Grand Hotel Phayathai Bangkok** (521 rooms) will open its doors in Q2 2022, as part of a larger mixed-use development, with direct access to Phayathai BTS station. Its facilities will include an all-day dining restaurant, a Chinese speciality venue, an outdoor pool with a bar, a gym and an executive lounge. Moreover, 4,285 sqm of versatile event space - plus a 285 sqm wedding chapel - all of these should make it ideal for hosting a range of corporate and private functions.
- **Ascott Thonglor Bangkok (451 keys)** will debut on Sukhumvit Road in the heart of one of the city's most desirable neighbourhood, known for its lifestyle venues, international schools and multinational headquarters. Due to open in late 2021, will offer easy access to the Skytrain, and guests will be able to choose between studio, one-, two- and three-room serviced apartments.
- **The Langham, Bangkok at Chao Phraya River (250 keys)** will launch down by the river in early 2023. There will be a mix of one-, two- and three-bedroom suites, some of which will be decked out with a separate kitchen. Its 1,500 sq m ballroom will also be one of the largest in the city, and its F&B options will include a Cantonese fine-dining restaurant and the Palm Court, serving the brand's signature afternoon tea.

Major Issues Affecting Competitiveness

Thailand's tourism industry will take at least three years to bounce back to pre-pandemic levels, The slow recovery for the sector that accounts for about 15% of Thailand's gross domestic product means growth in Southeast Asia's second-largest economy will remain weak over the next two years. The Thai economy will struggle to recover without an improvement in the tourism sector. Recovery appears to be on the horizon for Thailand. Assuming virus recurrence, slow long-term growth, muted world recovery, and minimal changes to global tourism strategies, Thailand's tourism sector could only recover to pre-crisis levels by 2024.

Unfortunately, the pandemic and related restrictions have hit travel particularly hard, as international travel plunged. Passengers on international flights to Thailand dropped by 95 percent in September 2021, compared to the previous year.

This decline in visitors had an outsize impact on tourism spending, as international travelers spent significantly more than their local counterparts. For instance, in 2019, international travelers made up 33 percent of overall travelers in Thailand yet accounted for almost 60 percent of all tourism spending international tourists spent USD 1,543 per traveler on average, compared to USD 152 by domestic travelers. This drop in expenditure undoubtedly caused a ripple effect on Thailand's food and beverage retail industries, which include 1.2 million small and medium-size enterprises (SMEs). Thailand saw foreign tourist arrivals plunge to 73,932 in the first eight months of this year, from almost 40 million visitors in 2019 who generated more than USD 60 billion in revenue. At least 6 million tourist arrivals are needed to erase the current account shortfall that stood at USD 8.5 billion in the eight month through August.

Thailand has lifted a mandatory quarantine for visitors to holiday destinations including Bangkok from 1 November, 2021 as it seeks to jump-start its economy and transition to a "living with Covid-19" strategy. The reopening plan may be disrupted if the ongoing improvement in the pandemic situation in Thailand changes course.

Travelers from China, who made up to 28% of Thailand's foreign arrivals in 2019, are unlikely to return in large numbers soon due to travel restrictions, while arrivals from India are expected to increase in November during the Diwali festival, though they're unlikely to match number of Chinese holidaymakers. The Bank of Thailand in August cut its forecast for tourist arrivals to 150,000 visitors this year and 6 million in 2022.

In long-term view, Bangkok has been ranked one of the most visited destinations in the world for consecutive years. Increasing hotel supply under the volatile atmosphere will result in more aggressive competition and stiff Average Daily Room Rate as hotels trying to gain more market share while customers are more price-conscious as an effect from the current public health crisis to their disposable income.

The World Tourism Organization predicted a rebound in international tourism is likely by the 3Q2021 or in early 2022, whereas the Tourism Authority of Thailand (TAT) had projected a similar outlook after hearing from the main target nations of Thai tourism that they would encourage domestic tourism instead.

On a macro-perspective, Thailand Development Research Institute (TDRI) forecasted Gross Domestic Products (GDP) to grow by 4.7% in 2021 but the country's economy will only recover to pre-Covid level by end of 2022 at earliest. Numerous challenges are expected to persist into the year 2021, including continued outbreaks, global economic contraction, airline bankruptcies, limitations related to physical distancing, weak domestic consumption and local sentiment toward foreigners. However, TAT advised that even though the outbreak presents the great challenge for the industry, the positive image of Thailand's public health system and its successful containment of the Coronavirus would be a strong confidence-builder for tourism.

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 & beverage that strengthens the hotel as one of the leading hotels in Bangkok.

The COVID-19 pandemic that underwent throughout 2021 has emphasized the necessity of precautionary health & safety measures. Recent research found that their hygiene and safety are the top concern as well as the key decision factor. Thus, Shangri-La Group then promptly introduced our 'Shangri-La Cares' program which highlighted in the enhanced protocols to ensure guest's well-being as the utmost priority among all. This implementation will of course help to gain our guest's confidence and offer them a peace of mind when staying in the hotel or using our services.

- Shangri-La Hotel, Chiang Mai

2021 saw a complete shift in the hotel's strategies post COVID-19, and focus was driven towards cashflow from the domestic market and to gain market share from competitive set by driving direct bookings from flash sales or voucher sales through various channels. Social media and online platforms including OTAs were extremely important and made an impact to stimulate revenue.

Focus was placed on Retails segments (Public 20.7%, Wholesale Online 17.1% and Package segments; 20.8%) and group meetings for 17.2% to drive room nights business for the hotel.

Furthermore, food & beverage outlet was one of the key players to drive cashflow while room had soft demand, we had new avenue by opened croissant shops in the shopping malls and participate in various events in town for opening booth. This year local catering was tough because the government limited gathering and events. Social segment continued to be a focus for the hotel to drive all year functions and social events utilizing the outdoor terrace with competitive pricing.

Targeting Customers

Due to COVID-19 pandemic outbreak we shifted the target customers to the domestic market including local Thais in the Northern region, local Thais in other provinces and Expats. The main feeder market was Bangkok both for FITs and group meetings. Singapore market contributed only end of the year after government reopen country on 1 November 2021.

The goal for 2022 is to maintain and capture all domestic markets for all segments. Furthermore, we must compete with 3- or 4-star hotels to solicit more leads and demand at least for half a year. Short haul market like Korea, Singapore, and Japan will be concentrate for USA, UK and Europe will be focus for long haul market.

Pricing Policy – Tier Pricing and Yield Management

The 2021 pricing was extremely sensitive, reflected by an overall decrease of ADR (-44%) due to the pandemic outbreaks, after which we have been driving domestic market with competitive pricing both FITs and groups. In addition, since the core segment for Shangri-La Chiang Mai is Groups meeting, it was crucial to adopt flexible pricing especially for government business.

F&B Price decrease average check by (-11.8%) because of business mix which not enough a la Carte guest and China Kitchen was not able to open in the evening due to soft demand during pandemic. Prices for catering increased 5.9% due to we managed to upsell the group price.

Distribution and Sales Channels

Due to COVID-19 outbreaks, the hotel bookings mainly came from Hotel Direct 79.5%, Wholesale Online 11.4% and E- direct 7.9%. Furthermore, the flash sales, voucher sales and online e-commerce were the additional channel for hotel to stimulate the cashflow both room and food & beverage.

Number of Competitors - 2021

Competitive set for 2021 remained unchanged: There are many hotels closed due to COVID-19 but major hotels are still open.

Major Issues Affecting Competitiveness

Major projects: Le Meridien will be re-branded into a Marriott after the renovation in 2022. Melia will complete rebranding by Q2/2022, 260 rooms, Thai restaurant, rooftop bar and lobby lounge. Intercontinental will complete rebranding from Imperial Mae Ping by Q4/2022, 248 rooms for main building and the rest will be low-rise buildings and villas, total 310 rooms. Renovation of the whole Convention Hall. MICE hotel.

Ability to Compete

Shangri-La Hotel, Chiang Mai is the city's only five-star hotel that caters for families, with a family concierge that ensures a fuss free, and fun filled stay, and the city's largest free form swimming pool, so we will enhance on the Family market. The hotel will continue to remain in its position as one of the leading MICE hotels, and top wedding venues in Chiang Mai as there is a good chance that the demand may surpass the Hotel's supply in the city. Opportunity to explore wellness aficionados' emerging' markets for leisure travelers and local domestic will remain our core customers until the international resume in the future. Furthermore, F&B especially croissant is a strong and successful story for our hotel in 2021 therefore, this will bring the hotel to popularity among local community for bakery shop and leverage on China Kitchen awarded as Michelin Plate Listed for 2 years consecutively.

- Sule Shangri-La Hotel, Yangon

- The hotel is budgeted to remain closed during 2022.
- If Yangon International Airport re-opens to commercial flights and there is significant traffic coming through, we may re-evaluate the hotel closure if it makes financial sense to re-open.

Catering

- We will look at promoting events (weddings and corporate dinners); a profitability analysis will be done for each event, prior to confirming.
- We will focus on securing potential outside catering business during this time.

F&B Outlets

- The F&B outlets (Cafe Sule, Gallery Bar and Peacock Lounge) are budgeted to remain closed in 2022.
- Gourmet Shop will be remain open for takeaway, due to its business model - takeaway and drive through sales.

- Shangri-La Residences, Yangon

Particular	2021	2020
Occupancy	53.6%	70.5%
Monthly Average Rate (USD)	5,460	5,655
GOR (USD)	8,582,961	11,674,748

Due to the continued political and economic situation, tenants have been under pressure to downgrade their leases and apartment sizes. Short-term rental arrangements with more flexibility/ incentives are likely to remain as the only way to retain tenants.

All serviced apartments in Yangon remained operational in 2021. The construction activities, however, have been postponed further amid reduced demand, political turbulence and flight restrictions.

Citywide average monthly rents have fallen. Rates are expected to drop further due to short-term rentals, early terminations and due to many tenants now requiring smaller accommodations.

The citywide occupancy rates were recorded around the 30% mark. Until all commercial flights are allowed to resume as normal, it is likely that the current situation may remain challenging for operators.

Strategy

- From among our top 5 clients, we have retained Telenor and the Embassies of Canada, Australia and the United States.
- We continue to maintain our close relationships with the Diplomatic community and UN bodies. We are currently targeting to shift a few apartments from the Saudi, French and German embassies.
- We are targeting expatriates staying at other serviced apartments (like Kantharyar Apartments, Marina and Sakura Residences) – mainly the Japanese community.
- When we receive early termination requests, we are actively negotiating with our tenants in a way whereby we do not lose out and we try to reach a compromise in order to deliver a win-win scenario.
- We are looking at co-living opportunities with consultant companies, where they look at cost saving and having a safe environment for their consultants to stay at.
- We are also targeting to shift one-bedroom apartments from our competition – we will be mapping the market in Q1 to further identify these opportunities.

- We will continue to target expatriates staying in stand-alone villas especially, as the possibility for them to move to serviced apartments is higher due to ongoing safety concerns.

- Sule Square, Yangon

Strategy for Office Space

The plans for Sule Square to retain current office tenants and acquire new ones in the current business environment are bulleted below:

- Rent-free Periods - offer tailor-made solutions on a case-by-case basis, including offering rent-free months when the contract comes up for renewal.
- Flexible Payment Options - Temporarily offering flexible monthly/quarterly payment options, to help companies tide over this difficult period and retain their business.
- Relocate to Business Center during Stress Periods - We will actively promote serviced offices as there may be a few takers for the same. Smaller clients who are unable to pay rent may be offered to rent space in our Business Center for 3-6 months. They will rent the Business Center space from us and will lock and hand over their office space during this period. This is a short term, temporary solution, until the situation on the ground improves.
- Target Condos and other Office Towers - Whilst we have received limited new inquiries in the current market conditions, we will continue to look for tenants who have their offices in condos or other office towers, and for smaller companies that may not be too concerned with the land ownership issue.
- Move-in Ready Office - There are a few offices vacated by clients that are move-in ready condition We will offer these spaces to prospective clients who are working from home or to clients wanting to upgrade but not wanting to spend on the interiors.
- Engagement – We will continue to actively engage our tenants proactively, to address their concerns before they advance their internal discussions on any potential departure.

Strategy for Retail

- The team is searching for potential tenants to fill up remaining vacant retail spaces.
- Efforts are ongoing to retain current tenants by providing rent relief as required.

Customer Characteristics

- Characteristics of Customers and Relationships

Most of the Company's customers are foreign tourists traveling in the country and businessmen both domestically and internationally. There are both private, group and booking through tour companies.

Rights or Restrictions on Doing Business

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"). Details 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.

The Board of Directors resolved at its meeting No. 6/2019 held on 11 November 2019 approving for the Company to enter into the deeds of novation ("Deed") for the Marketing and Promotion Agreement. As a result of entering into the Deed, the party to the Marketing and Promotion Agreement has been novated from SLIM to Shangri-La International Hotel Management Pte Ltd. ("SLIM SG") which is a fellow subsidiary of SLIM (SLIM is a wholly-owned subsidiary of Shangri-La Asia Limited ("SA")) with effect from 1 January 2020. All commercial terms and conditions of the Marketing and Promotion Agreement shall remain unchanged. SLIM SG shall assume the benefits, rights, duties and obligations of SLIM under the Marketing and Promotion Agreement with effect from 1 January 2020.

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

2) Licence Agreement

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

The Board of Directors resolved at its meeting No. 6/2019 held on 11 November 2019 approving for the Company to enter into the deeds of novation ("Deed") for the Licence Agreement. As a result of entering into the Deed, the party to the Licence Agreement has been novated from SLIM BV to SLIM SG which is a fellow subsidiary of SLIM (SLIM is a wholly-owned subsidiary of SA) and SLIM BV is a wholly-owned subsidiaries of SA with effect from 1 January 2020. All commercial terms and conditions of the Licence Agreement shall remain unchanged. SLIM SG shall assume the benefits, rights, duties and obligations of SLIM BV under the Licence Agreement with effect from 1 January 2020.

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

Assets Used in Business Undertaking

- Shangri-La Hotel, Bangkok

Land, Buildings, and Machinery

1. Two plots of land used in operations have a total area of 12 rai, 2 ngan, 48 square wa and 5 rai 2 ngan 75 square wa, located at Soi Wat Suan Plu, New Road, Bangrak Subdistrict, Bangrak District, Bangkok.The Company has ownership of these two plots of land. The book value as of 31 December, 2021 is equal to Baht 385.95 million.

The 23 plots of land on Sukhumvit 55 Road (Soi Thonglor), in the area of 657.50 square wa, located at Soi Sukhumvit 55 (Soi Thonglor), Sukhumvit Road, Khlong Tan Nuea Sub-District, Watthana District, Bangkok, and 1 plot of land on Sukhumvit 57 Road, in the area of 48 square wa, located on Sukhumvit 57 Road, Phra Khanong Subdistrict 11th Phra Khanong North), Phra Khanong District, Bangkok. The Company has ownership of these twenty-four plots of land. The book value as of 31 December, 2021 is equal to Baht 2,033.41 million.

2. Buildings include 2 hotel buildings, 25-story and 16-story towers, 10-story office building for rent, and 2 parking buildings located on the land area of 12 rai, 2 ngan, 48 square wa, and the land area of 5 rai, 2 ngan, 75 square wa. The book value as of 31 December, 2021, is equal to Baht 260.38 million. The Company has ownership of all these buildings.

3. The book value of furniture and fixtures as of 31 December, 2021 is equal to Baht 65.57 million.

4. The book value of building machinery as of 31 December, 2021 is equal to Baht 122.01 million.

The aforementioned land, buildings, furniture, fixtures, and equipment are not used as collateral for any liabilities.

Intangible Assets

Intangible assets consist of computer programs. The book value as of 31 December, 2021 is equal to Baht 0.17 million.

- Shangri-La Hotel, Chiang Mai

Land, Buildings, and Machinery

1. Land used for operations is 17 rai, 2 ngan, 5.3 square wa, located at Changkhlan Road, Changkhlan Subdistrict, Mueang District, Chiang Mai Province. The Company has ownership of these two plots of land. The book value as of 31 December, 2021 is equal to Baht 107.56 million.

2. The hotel building is located on the area of 17 rai, 2 ngan 5.3 square wa. The book value as of 31 December, 2021 is equal to Baht 364.69 million. The company have ownership of all these buildings.

3. The book value of furniture and fixtures as of 31 December, 2021 is equal to Baht 25.05 million.

4. The book value of building machinery as of 31 December, 2021 is equal to Baht 4.21 million.

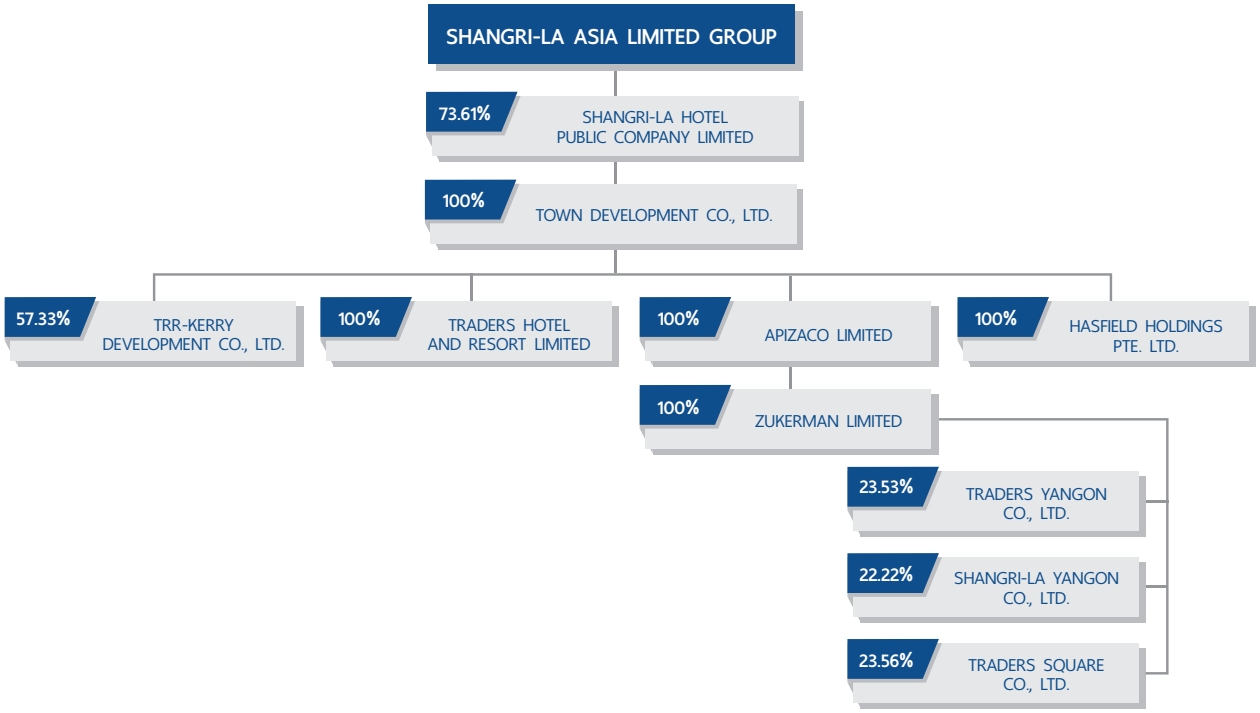
The aforementioned land, buildings, furniture, fixtures, and equipment are not used as collateral for any liabilities.

Intangible Assets

Intangible assets consist of computer programs. The book value as of 31 December, 2021 is equal to Baht 0.58 million.

Shareholding Structure

Shareholding structure of the group of companies



Name	Issued and Paid up Capital	Business Type
1. Town Development Co., Ltd. No. 89 Soi Wat Suan Plu, New Road, Bangrak, Bangkok, Thailand Telephone : (66) 2236 7777	Baht 1,303 Million	Investment Holdings
2. TRR-Kerry Development Co., Ltd. No. 89 Chao Phya Tower, 9th Floor, Room no. 901-903, Soi Wat Suan Plu, New Road, Bangrak, Bangkok, Thailand Telephone : (66) 2237 3737	Baht 231 Million	Investment Holdings
3. Traders Hotel and Resort Limited No. 89 Chao Phya Tower, 9th Floor, Room no. 903, Soi Wat Suan Plu, New Road, Bangrak, Bangkok, Thailand Telephone : (66) 2236 7777	Baht 0.2 million	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 Holdings Pte. Ltd. No. 1 Kim Seng Promenade, Great World City #06-02, Singapore Telephone : (65) 6733 3600	SD 34.22 Million	Dormant
6. Zukerman Limited No. 683, Kerry Center, 28th Floor, King's Road, Quarry Bay, Hong Kong Telephone : (852) 2525 7211	USD 1	Investment Holdings
7. Traders Yangon Co., Ltd. 223 Sule Pagoda Road, Yangon, Myanmar Telephone (951) 242828	Kyat 21.60 Million	Hotel Operation
8. Shangri-La Yangon Co., Ltd. 223 Sule Pagoda Road, Yangon, Myanmar Telephone (951) 242828	Kyat 11.88 Million	Serviced Apartment
9. Traders Square Co., Ltd. 223 Sule Pagoda Road, Yangon, Myanmar Telephone (951) 242828	Kyat 0.52 Million	Commercial Complex

Shareholders

Top Ten Major Shareholders as of 15 March, 2021 (which was the latest record date on which shareholders have the right to attend and vote at the Annual General Meeting) were as follows:

Shareholders Group	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. Somkiat Asdathorn and spouse	1,879,100	1.45
6. Mr. Ekaratana Tejavej	1,550,000	1.19
7. Ms. Srisuda Sintavanarong	1,544,400	1.19
8. Mr. Boon Sintavanarong	1,518,800	1.17
9. Mr. Utai Asdathorn	945,700	0.73
10. Mr. Thitikorn Asdathorn	788,750	0.61

Other types of share such as preferred share whose rights or terms differ from those of ordinary share, identify the key different characteristics.

None

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

None

Issuance of other securities

None

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

Relationship with major shareholders' business

The Company has Shangri-La Asia Group as its sole major shareholder with 73.61 percent of the shares, while the shareholders no. 2 to 10, even if they hold totaling to 13.59 percent of the shares, still have no decision-making power without the approval of the major shareholder.

Dividend policy

Dividend payment policy of the Company is to pay dividend not less than 30% of its net profit.

Due to the Company had a net loss of Baht 361,245,022 for the year ended 31 December, 2021, the Board of Directors at its Meeting held on 21 February, 2022 resolved that the omission of the annual dividend payment for the operation of the Company from 1 January, 2021 to 31 December, 2021 be recommended to the Shareholders for approval at the Annual General Meeting of Shareholders scheduled to be held on 28 April, 2022.

The omission of the annual dividend payment for the operation of the Company from 1 January, 2020 to 31 December, 2020 be approved at the Annual General Meeting of Shareholders held on 28 April, 2021 due to the Company had a net loss of Baht 295,457,992 for the year ended 31 December, 2020.

The dividend payment policy of the subsidiaries is not defined, it depends on the operating performance of the subsidiaries.

Risk Management

Risk Management Policy and Plan

A high standard of corporate governance is crucial in safeguarding our long-term shareholder value. The Board of Directors believes that a sound and effective risk management and internal control system is the cornerstone for good corporate governance. Since 2019, the Company has aligned with the wider Shangri-La Group on an Integrated Assurance Framework that integrated the risk management, internal control and audit practices into three lines of defence with focus on the assessment and assurance on adequacy and effectiveness of the Company's key risks and key controls.

The Board has overall responsibility for risk governance and the effectiveness of internal controls in the Company's business and has appointed the Audit Committee as independent directors to oversee the Company's risk management and audit process; assess the adequacy and effectiveness of the Company's risk management system including the reliability of financial reports and internal control system.

The Company adopts the established Shangri-La Group's key corporate policies, manuals, procedural guidelines, and delegation of authority covering all areas of operation specifying transactions/activities and their required level of approval/authorization. All manuals are subjected to regular reviews and updates to reflect the changing business risks and to resolve any operational deficiencies.

In the face of the Covid-19 pandemic, the Shangri-La Group had launched the Shangri-La Cares Commitment programme to ensure the highest standards of health, safety and cleanliness throughout the Group hotels so that employees and guests feel safe and protected. The Company also has been granted the SHA Plus Certificate or Amazing Thailand Safety & Health Administration and awarded the Safeguard Hygiene Excellence and Safety Label by Bureau Veritas Certification (Thailand) Ltd., the World's leading testing and inspection agency. In parallel, employees were required to undergo updated training and learning on Covid-19 preparatory and prevention measures in order to safeguard the health and safety of guests and their own personal wellbeing.

Furthermore, to safeguard against similar instances like SARS, H1N1 etc, the Company, including both Shangri-La Hotel, Bangkok and Shangri-La Hotel, Chiang Mai, has a stringent hygiene policy and strictly follows its Food Safety and Hygiene Management System as laid down for the whole Group. Adequate fall back measures are in place should such or similar instances occur. The Shangri-La Hotel, Bangkok is also HACCP (Hazard Analysis and Critical Point System) certified, ISO 14001 certified for an international environment, management standard and ISO 45001 certified for an occupational health and safety management. The Group has well-established policies in place to safeguard the safety and security of our guests, including Engineering audit, Fire life safety, Security assurance and privacy and data protection

Risk factors on business operation

In 2022, there are 3,074 new rooms being planned in the pipeline. Then in 2023, another eight new hotel openings are scheduled to bring 1,711 keys into play, while 15 more properties and 4,142 rooms are expected to complete in 2024 and beyond. Of these 41 new hotels, 28 will be in the four-star category, while 13 will be in the five-star luxury segment.

Shangri-La Hotel, Bangkok and Shangri-La Hotel, Chiang Mai carry adequate Public Liability insurance to cover 3rd party liability towards damages from accident, sickness of guests caused from hotels goods and services. There is also adequate Industrial All Risks insurance covering fire, earthquake, strikes, flood damage etc. as well as Business Interruption insurance to cover loss of profits in case all or a section of the hotel is closed. Money and Fidelity insurance as well as employees' health, Personal Accident and Life insurance are there to cover risks in this area.

The major risk of hospitality industry is uncertainty of the COVID-19 situation. It is evaluated that Thailand's tourism industry will take at least three years to bounce back to pre-pandemic levels even as it prepares to ease restrictions on vaccinated travelers.

Operational risk associated with the Company or the group of companies

Risk on price fluctuation on raw material and supplier, due to COVID-19 situation which widely impacted to most of the business sector resulted in shortage of some product, delay in transportation & logistic, this risk can be a significant impact on the Company's operations. The Company has planned to reduce such risk by monitoring and planning the purchase of material in advance according to the forecast of business level and combine volume of both hotels with an aim of increasing the purchase quantity and bargaining power in price.

Business Sustainability Development

Driving Business for Sustainability

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 under the framework of sustainable development.

In managing the sustainable organization, the management team of Shangri-La Hotel, Bangkok and Shangri-La Hotel, Chiang Mai, comprising General Manager, Area Financial Controller, Director of Sales and Marketing, Director of Food and Beverage, Director of Engineering, Director of Human Resources and Director of Rooms, will work together on sustainability in accordance with the set policies, goals, strategies and practices to ensure the response of needs and expectations of all groups of stakeholders.

In addition, the Company has policies and management approach, including integrated practice according to the way of the Shangri-La Group, i.e., "Shangri-La Care", "Shangri-La Academy Online", "Shangri-La's Global Privacy and Data Protection Policy". Additionally, the Company adheres to the international standards of sustainability and social responsibility, i.e., International Organization for Standardization (ISO) as follows:

- Hazard Analysis Critical Control Point (HACCP) and Good Manufacturing Practice (GMP)
- ISO 14001 International Environment Management Standard
- ISO 45001 Occupational Health and Safety Management System Standard
- SHA Extra Plus (Amazing Thailand Safety & Health Administration)
- SafeGuard by Bureau Veritas
- GDPR (General Data Protection Regulation) as required by EU law

This is to ensure that the Company will achieve the goals of sustainable business operation.

Sustainability Management Policy and Goals

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, and sustainability issues from the GRI Standards, 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:

Governance and Economy

- Direct economic value generated and distributed
- Procurement local Community
- Anti-Corruption

Environment

- Energy management
- Climate Change and Greenhouse gas management
- Water management
- Waste management
- Environmental compliances

Social

- Human capital development
- Occupational health and safety
- Participation in local community & social development
- Customer health and safety
- Supply chain management
- Cyber security

The Company has been committed to responding to the Sustainable Development Goals (SDGs) that are relevant to and consistent with business operations as follows:

- SDG 3 Good health and well-being
- SDG 6 Clean water and sanitation
- SDG 7 Affordable and clean energy
- SDG 8 Decent work and economic growth
- SDG 11 Sustainable cities and communities
- SDG 12 Responsible consumption and production
- SDG 13 Climate action
- SDG 16 Peace, justice and strong institutions

Managing Impact on Stakeholders in the Business Value Chain

Business Value Chain

The Company is a hotel business operator. The Company's value chain has reflected the work processes and stakeholders involved in the operations. The Company considers the groups of stakeholders affected by business operations, as well as manages and implements on sustainability activities throughout the business value chain.

The process is as follows:

1. Procurement process for the acquisition of raw materials, supply, equipment, and fixed assets used in the business;
2. Operational process relevant to the administration and in-house management for delivering

services or products;

3. Service and product delivery process that the hotel provides for different customer groups;
4. Sales and marketing process with the objective to reach a wide range of customers with different needs and ability to access marketing media;
5. Service process which indicates that the quality of service depends on the service of the staff, apart from the hotel building, rooms, facilities, and price value.

Stakeholders Analysis in Business Value Chain

The Company realizes the importance of building cooperation with stakeholders for maximum benefit to all parties. Our business operation is implemented under the principles of corporate governance and efficient operation with the consideration of rights-respecting, fair and equal treatment of stakeholders, business transparency, ethics, and compliance with the Code of Conduct and values of the Company.

The Company has adopted the AA1000 Stakeholder Engagement Standards (AA1000SES) for identifying stakeholder groups, analyzing engagement in the value chain, analyzing needs and expectations, assessing and prioritizing using impact criteria, and clarifying the influence of stakeholders on the Company's operations. The results were used to develop practical guidelines that meet the needs and expectations of each stakeholder group through effective communication channels and create maximum satisfaction.

The AA1000SES places importance on the participation of stakeholders in expressing opinions. Consequently, the Company can respond to their needs and can make use of information as a guideline for operation in order of priority.

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

Sustainability Management in Environmental Dimensions

Energy

The hospitality business is an operation that uses a large amount of electricity, fuel, and cooling water. Therefore, the Company realizes the importance of planning for the most efficient use of resources, reducing environmental and social impacts, building confidence and stability in sustainable energy use under a safe operating framework in compliance with ISO 14001 International Environmental Management System Standards. Additionally, the Company formulated policies for all departments to use as a practical guideline to the same direction, set key performance indicators (KPIs) of energy consumption, analyzed impacts of energy consumption in daily operations, and identified guidelines for monitoring the operating results, evaluating and resolving the impacts arising from the activities of the Company.

Shangri-La Hotel, Bangkok has implemented an energy-saving project by inspecting and improving various systems to increase energy efficiency. The Company's lighting system has switched to LED lights in the hotel premises, e.g., ballrooms, living rooms, and restaurants to increase energy efficiency and save energy. In 2021, the consumption of electric power from all LED lights is 252.02 MWh. In addition, the Company has properly managed the energy consumption by reducing or shutting down refrigeration

and freezer during service closing hours under Reduce Chiller Operation Project and Consolidate & shutdown Freezer & Chillers Project. Moreover, there has been a policy to aggregate rooms on the same floor or area and shut down unused floors under Shutdown Guest Floor Project. These implementations could reduce electricity consumption by 126.01 MWh in 2021.

Shangri-La Hotel, Chiang Mai has improved energy efficiency by producing steam with low energy loss and higher steam retention rates and switching to use LED lights. The energy management framework was also reviewed to ensure consistency with energy consumption and to elevate the efficiency of the Company's energy consumption.

Climate Change and Greenhouse Gas Emission

Due to the severe climate change affecting the world, the Company is interested in and aware of the disaster that will occur. We focus on the development and operation with more efficiency and contribute to the promotion of a low-carbon society to mitigate the severity of climate change at the national and regional level. As greenhouse gas emission reflects operations that cause significant environmental impacts, the Company has established a commitment to accountability and identified management approaches for sustainable business development by searching for ways to reduce resource use, increase energy efficiency, assess risk, mitigate impacts, and protect the environment.

In 2021, Shangri-La Hotel, Bangkok has total greenhouse gas emission (Scope 1 and 2) of 8,858.54 ton carbon dioxide equivalent. Shangri-La Hotel, Chiang Mai emitted 2,589.96 ton carbon dioxide equivalent of greenhouse gases (Scope 1 and 2).

The Company is committed to improving operational efficiency with the reduction of greenhouse gas emission by improving operational processes and behavior, e.g., installing solar panels in hotel areas to generate electricity from clean energy sources, using LED lights, and managing effective energy consumption, e.g., turning off refrigeration or reducing energy consumption as appropriate, and improving systems to increase energy efficiency and reduce greenhouse gas emissions.

Water Management

Hotel business is an industry that uses a large amount of water in its operations. Therefore, the Company foresees the importance of resource sharing, effective use of water to maximum benefit, mitigation of water scarcity, determination of resource management policies in accordance with ISO 14001 standards, and wastewater treatment with equipment with ISO/IEC 17025 standards certified by the Thai Industrial Standards Institute (TISI) and Department of Science Service (DSS). The hotel operations related to water use include consumption service, swimming pool service, containment for fire prevention, and cooling process. In addition, the Company has established a wastewater treatment system that closely monitors and evaluates performance with methods and standards used to inspect the quality of water and effluent, i.e., APHA AWWA WEF 23rd Edition, 2017. In 2021, there is no violation of regulations or laws on wastewater discharge values.

In 2021, Shangri-La Hotel, Bangkok used 233.51 ML of water from water stress area and Shangri-La Hotel, Chiang Mai used 46.78 ML of tap water. The Company is committed to resource management,

improve the efficiency of water usage in the operational process, and regularly performing risk assessments.

Waste Management

Waste management reflects environmentally responsible operation by means of avoiding and reducing the amount of waste in landfill disposal. The Company, therefore, has identified an operation guideline and communicated waste management and reduction of waste generation throughout the organization. The Company's waste management operates in accordance with ISO 14001 and ISO 45001 standards to improve operational efficiency and reduce the impact on the environment and communities. The Company has evaluated operational processes to reduce waste and support recycling within the Company, also with customers and business partners. In addition, the performance of Bangkok Metropolitan Administration (BMA) and Krungthep Thanakom Co., Ltd. have been monitored the management of general waste, hazardous waste, and infectious waste on timely manner and in compliance with the terms of the contract.

The Company has operational guidelines for the effective use of resources and reduction of the amount of waste disposal by incineration or landfill. It has operated according to the 3Rs principle: Reducing the amount of waste from the beginning of the process. Reusing the leftover which solves food waste problems and encourages the utilization of all materials. For example, wet waste and food waste will be donated to pig farms and used soap can be donated to the community, with a total waste of 53.63 tons. Lastly, total of 6.27 tons of waste was diverted from disposal to recycling.

Compliance with Environmental Laws and Regulations

The Company has a policy on environment, health, and safety (EHS Policy) to operate in compliance with relevant regulations or laws and sustainability and environmental standards. The stakeholders are encouraged to realize the importance of operation and environmental impact. This is the key to good corporate governance under the sustainable business framework. The Company adheres to environmental management system standards at local and international levels, e.g., operational safety, pollution and labor standards, HQ quality standards, ISO 14001 Environmental Management System Standards, ISO 45001 Occupational Health and Safety Management System Standards. In addition, the Company has appointed the Green & Safety Committee to formulate strategies and oversee the implementation, set key performance indicators (KPIs), assess operational impact on an ongoing and consistent basis, and guidelines for resolving violations of laws or regulations. This is to certify and create confidence to stakeholders that the Company's operations will not affect the environment and community with safe operation and sustainable business. In 2021, there is no violation of environmental regulations or laws in the operation.

Selection of Business Partners Based on Environmental and Social Criteria

Business partners are key stakeholders in creating sustainability in the value chain. In order to operate business with transparency and fairness focusing on operations with consideration to environmental and social impacts, the Company has established guidelines for evaluating the performance of business partners. The data were analyzed and classified according to the standards used in

management of environmental and social impacts.

New business partners have to pass the assessment, performance review, and report preparation for systematic operation and improvement of efficiency. Business partners are required to provide training to the staff in accordance with the Hotel Standard operating procedures and policies (SOP) or corporate standard operations. The purpose is to make their employees realize the importance of implementation with impact on the environment and society. In addition, the business partner's ratings and grouping are part of the consideration for awarding.

Sustainability Management in Social Dimensions

Employee Care and Development

The Company is aware of the rapid changes in the world situation, business competitive intensity, lifestyle changes due to COVID-19 epidemic. Employees are important as the main resource and mechanism for driving the organization towards its goals. Therefore, the Company gives important to both maintaining and recruitment of high potential employees.

The Company's human resource management guidelines are to ensure fair treatment to all employees, provide equal opportunities for career advancement without discrimination, operate the business in full compliance with labor regulations, and avoid the engagement in any activities of human rights violations, discrimination, or illegal acts. The Company is committed to continually care and enhancing learning for employees, having sense of human rights issues, embracing diversity in the workplace, providing equal opportunities in all aspects of employment, and instilling good conscience among employees. Moreover, the Company supports projects where employees have contributed to the community development, organizes activities that create participation and raise awareness of social and environmental responsibility throughout the year, having a policy on "Whistle-Blowing" to receive complaints from employees, promoting an excellent working environment free from infringements, harassment and no discrimination in the workplace or against customers. This is to prepare personnel to have a good quality of life, able to cope with the changes in the present world, and be a part of driving mechanism of the organization to grow sustainably and become a leader in the hospitality industry.

The Company has set a target for the turnover rate of employees at not more than 17% and zero complaints from human rights violations and discrimination.

In terms of the rights of employees, the organization has allocated appropriate welfares and benefits, e.g., maternity leave, parental leave for male employees, provident fund, health insurance, life insurance, accident insurance, wedding allowance, ordination leave.

Training and Education

To drive the organization to grow sustainably, employees are part of the core human resource mechanism that drives the organization towards its goals. The Company, therefore, place importance to ensure that employees receive good welfare at all levels of work. Moreover, continuously we promote skills development to all employees, invite professional trainers for in-house training, and encourage employees to attend training at institutions in the local area. The Company also collaborates with Shangri-La Group to support learning through the "Shangri-La Academy" online program. With the goal for employees in the Group to access anytime and anywhere and foster a culture of learning; there are 460 courses to choose from. The Company has the great expectation that training will help employees to get skills and ability to work at a higher level, operate with maximum efficiency, aim in the same direction as the

organization's goals, and be able to keep up with the changes in the world.

In 2021, there are 102 training courses for employees provided by Shangri-La Hotel, Bangkok with an average training 15 hours per person per year. Shangri-La Hotel, Chiang Mai has 152 training courses for employees with an average training 13 hours per person per year.

Occupational Health and Safety

Occupational health and safety is an issue that the Company also pays attention. We are committed to taking care of the health and safety of our employees, customers, and business partners, promoting safety workplace, and a healthy working environment for employees. The Company has policy on environment, health, and safety (EHS Policy) as a guideline for operation, in compliance with ISO 45001 Occupational health and safety management standards and ISO 14001 Environmental management system standard. Additionally, our employees are trained to assess the risks that may arise from work for safe operation.

In 2020, the Company has first adopted the "Shangri-La Cares" policy in operations in response to the COVID-19 pandemic. It focuses on health and well-being, elevate the standard of safety in the operation of employees and business partners, strengthens the confidence of customers in using the services, as well as promotes the awareness of safety at work for employees and contractors every day.

The Company has appointed the occupational safety and health welfare committee to represent employees and management in joint discussions with the objective to operate in accordance with safety principles under occupational health and good working environment. The opinions from employees are used for continuous improvement and development, including reviewing work results to raise safety standards.

The Company has organized a project from employees' voices to provide an opportunity to participate in "Journey to Oneness". Employees could express opinions and give suggestions on various matters related to the hotel's strategic plan, including customer loyalty, employee loyalty, business performance, leadership, improvement, operational methods, and opinions on environment and work safety. Practical opinion of employee would be rewarded. This project encouraged open-mindedness and promote employee participation at all levels in driving the organization.

Work-related Health Services

The Company attaches importance to the care and prevention of dangers that may occur to employees and business partners during work operation. The Company, therefore, has followed the organization's working guidelines with an assessment before working to reduce accidents and potential risks. We also promote learning and development of human resources by providing orientation training. There is the health monitor for employees, e.g. physical check-ups before working. The Company complies with the Environmental, Health, and Safety Management Policy (ESH Policy) under the ISO 14001 and ISO 45001 standards for continuous improvement and promote supervision and prevention risk at work to ensure confidence and safety of employees and relevant persons in accordance with "Shangri-La Cares".

In 2021, there are zero high-consequence work-related injuries of employees from Shangri-La Hotel, Bangkok and Shangri-La Hotel, Chiang Mai.

Participation in Local Community and Social Development

The Company places importance to business operations that are beneficial to the economy, society and environment with the consideration of potential impact of the organization, both directly and indirectly. The Company believes that the organization can grow steadily by society acceptance and support from all stakeholders. The community is one of the key stakeholders of the organization. Therefore, the organization is committed and determined to support the local community to enhance the quality of life, find a solution to problems, and respond to the needs and expectations of the local community. We are ready to cooperate with government agencies and other stakeholders to drive the society and communities around the organization to grow together in a sustainable manner.

The Company adheres to good citizenship and strictly complies with relevant laws and regulations. Moreover, we are willing to support the surrounding communities regularly, encourage the local entrepreneurs to generate income, as well as assist local sellers or farmers in the community to have self-reliance. There were projects and activities that took into account the needs of the community and were continually beneficial to the community. This was part of driving the community to develop quality of life, safety, economy, and environment.

In 2021, there are no complaints related to social and environment issue from communities.

Customer Health and Safety

The Company is ready to deliver quality service and products. Our employees provide services and treat customers with excellence and equality. The Company gives great importance to product quality from the upstream to downstream process. Therefore, in order to ensure the safety and quality of services and products, the organization has the Environment, Health, and Safety Policy to use as a practical guideline for employees, including ISO 14001 and ISO 45001 standards.

Amid the spread of the COVID-19 crisis, Shangri-La Care policy has been established, focusing on the health and well-being of customers, strengthening customer confidence, and creating positive feelings during the current vulnerable situations. The Company recognizes that safety and hygiene are the main deciding factors for the customers. Therefore, the Company has been strict in operating according to the standard and corporate policies to build confidence for tourists.

Apart from the standards mentioned above, the Company has operated in accordance with the spa business guidelines of the Ministry of Public Health, as well as being certified by the project to raise the standards of the Thai tourism industry in terms of safety and hygiene, the Amazing Thailand Safety and Health Administration (SHA) Project organized by Tourism Authority of Thailand (TAT) in collaboration with the Ministry of Public Health and the Ministry of Tourism and Sports. Additionally, the Company was certified for hygienic standards from Bureau Veritas (BV). Moreover, the work and environmental impact assessment was conducted to maintain standards or find ways to continuously develop products or services.

In addition, in the process of purchasing raw materials, the assessment is conducted before every purchase. The Company gives importance to the environment by selecting sustainable raw materials with recycling qualification, causing low-impact on the environment, etc. Moreover, to create participation in sustainable business growth, the Company gives importance to business partners to promote awareness

of environmental issues, health, and safety by organizing joint training.

Customer Privacy

The COVID-19 outbreak has led to more adaptations of digital technology. The Company realized this matter and prepared for more digital use. In this regard, the importance of cyber security and personal data of customers, employees, and business partners is another issue that organizations need to prioritize. The purposes are to enhance the management of cyber security and information systems to meet international standards, including building confidence among stakeholders of the Company. Regarding the prevention of data loss or data theft that may affect the reputation of the Company, the Shangri-La Group has established Shangri-La's Global Privacy and Data Protection Policy to protect personal data. The appropriate risk assessment of data security and safety was organized. Additionally, the operations have complied with laws related to information technology, i.e., Personal Data Protection Act B.E. 2019 and laws on privacy protection measures for personal data, which has been revised to suit the current situations and extend the protection to people in European Union (GDPR). The Company also communicated to employees about the importance of data privacy and regulatory compliance. In the past year, the Company was not affected or complained about cyber threats and personal data.

Human Rights

In the past decade, human rights issues have become a global concern and a growing focus. The Shangri-La Group has recognized the importance of human rights protection and is committed to strict universal adherence. The Shangri-La Group has signed the United Nations Global Compact (UNGC) by taking human rights as a guideline to all areas in which business is conducted to ensure that the entire business value chain is free of human rights violations. Moreover, business partners must conduct business fairly with non-discriminately, respect diversity, and accept employee differences. Shangri-La Group did not act to encourage all forms of forced labor or engage in illegal labor. The laws here include child labor, slavery, and human trafficking.

In 2021, there were no complaints of human rights violations and 100 percentage of employees received Shangri-La Group's Code of Conduct and Ethics training covering human rights issues.

Remarks: Investors can study additional information at

CSR Activities in 2021

- Shangri-La Hotel, Bangkok (SLBK)

SLBK celebrated Children Day 2021 with our community as our 1st CSR activity of the year. We brought 370 gifts from colleagues under “One Child One Gift Campaign”; 170 pieces presented to Wat Suanplu School and 30 pieces presented to Lerdsin Hospital. As the pandemic situation is not permitted, we did not join them for the Children’s day activity but they continue to have their internal distribution.

This project had ended successfully with fully of smile on children patients and our colleagues faces.

SLBK is looking forward to participating in the next CSR's activities in order to create a meaningful moment and bond the hotel with local community and environment.

Klong Sung Cleaning 2021

SLBK's colleagues participated in a worthy cause with our Bangrak District's officers to clean Sung (a canal near the hotel).

Our common goal was to sustain and restore the natural environment in our area. The activities included cleaning up litter in the canal to reduce pollution and increase the performance of water drainage. Together we scooped out the mud and trash in the canal and the mud will be used to help fertilize the trees.

This is a part of our supportive project to our community, SLBK's colleagues and Bangrak District's officers were all enjoyed ourselves and had a good time working together for the improvement of our environment.

Linen Donation 2021

All of us at SLBK are delighted to support our local Bangrak Distict to set-up a Community Isolation Centre at Mahapruktharam School.

This Community Isolation Centre will help to alleviate the current shortage of beds in the hospitals in Bangkok. It has planed to have 100 beds and be manned by a team of doctors, nurses and public health officers from the Ministry of Public Health's COVID-19 Response Team.

As part of our support for our community, we donated cleaned linen such as pillowcases, bed sheets and pillows to the Bangrak District's Officers today.

We will all support one another to get through this pandemic situation together.

SLBK remains committed to operating in an economically, socially and environmentally responsible manner while balancing the interests of diverse stakeholders. In striving to be a leader in corporate citizenship and sustainable development, a corporate - level CSR Committee drives the company's initiatives in the strategic area of stakeholder relations, environment, health and safety, Supply chain and employees.

- Shangri-La Hotel, Chiang Mai (SLCM)

In 2021, SLCM committed to the "Embraced Project" with Wat Lantong School

Wat Lantong School is located in Sankhampeang District, Chiang Mai Province. There are 162 students who live in Sankhampeang and nearby areas. They are taken care of by 20 teachers.

In 2021, during COVID-19 pandemic, SLCM was aware of student's health and safety.

In February, SLCM's CSR committee arranged the "Soap For Hope" activities to raise awareness of students about safety & hygiene. The hotel donate used soap. Furthermore, in collaboration with Diversey chemical company, we donated some sanitizer and train student at school.

SLCM and the school are always in connected. We visit the school regulary and students are invited to join the hotel's events on several occasions.

Recently, they were invited to join the "Loy Krathong Night" in November 2021. During the event, students performed a traditional Thai dance, impressing the hotel's guests very much. Loy Krathong Night is one of the best activities that SLCM organizes for its guests every year.

In 2021, SLCM committed the Bio Char Project with Warm Heart Foundation

In many of the previous years, the Annual seasonal haze in Chiang Mai strongly affecting the health of the communities living in the Northern Thai region and their businesses. Most smoke comes from burning crop waste. Behind the burning lies a single problem. SLCM was dedicated to finding relevant solutions to support and enable isolated Hill Tribe and Thai villages in becomingsocially and economically sustainable communities.

Warm Heart is a non-profit Community Development Organization based in rural Phrao, Thailand. Its 'Environmental Program' has been adopted in Malawi, Kenya, and Ghana, where communities are working towards clean air and sustainable food security.

Furthermore, SLCM have still supported the project by helping raise funds, through the organization of a charity dinner concert held on 1 April, when we sponsored the venue and the labour.

The usage of Bio char in hotel

The gardener uses bio char at our garden as an organic compost and the chef team uses bio char bricks to replace the charcoal for BBQ at the kitchen.

Shangri-La Hotel Chiang Mai and Community

In 2021, SLCM participated in many activities with the community. It was for the health of colleagues and environmental campaigns.

In February 2021, SLCM organized an activity for health and wellbeing by walking tour under the concept, 'Wai Pha Kao Wat' at Chiang Mai temple in the old town.

In October 2021, SLCM team donate money from the sale of Pinktober croissants during the month of October to Suandok Breast Cancer Network at Maharaj Hospital. This is part of our CSR activities to increase attention and support for the awareness of breast cancer.

In December 2021, SLCM celebrated the joyful ceremony with Christmas tree lighting. We invited the kids from Agape orphanage house to join the ceremony.

Management Discussion and Analysis (MD&A)

Operating Performance

Overview

The COVID-19 outbreak, started by the year end 2019 and became the global pandemic throughout the following year, brought the world to a standstill. Hospitality sector is one of the hardest hit economic sectors, mainly due to the introduction of travel restrictions. International tourism rebounded moderately during 2H2021, with international arrivals down 62 per cent in both 3Q and 4Q compared to pre-pandemic levels. According to limited data, international arrivals in December were 65 per cent below 2019 levels. The full impact of the Omicron variant and surge in COVID-19 cases is yet to be seen, said UNWTO. The pace of recovery remains slow and uneven across world regions due to varying degrees of mobility restrictions, vaccination rates and traveller confidence. Europe and the Americas recorded the strongest results in 2021 compared to 2020 (+19 per cent and +17 per cent respectively), but both still 63 per cent below pre-pandemic levels.

Global economy remains prone to setbacks due to recent COVID-19 resurgence. Although, the IMF revised up 2020 growth, the recovery in 2021 is likely to be gradual, supported by vaccine progress and stimulus packages. With the exception of China, most key economies' growth in 2021 should remain well below their pre-pandemic levels.

Despite an improvement in the final quarter, Thailand's GDP in 2020 registered a contraction of 6.1%, the worst since the 7.6% decline in the 1998 Asian Financial Crisis. In 2021, Economic Intelligence Center of Siam Commercial Bank Public Company Limited (SCB EIC) anticipates a growth of 2.2% due to slower-than-expected recovery of foreign tourism, subdued export demand and the COVID-19 resurgence. Improving global growth, fiscal stimulus packages and vaccine progress will be keys to underpin recovery of the Thai economy.

The primary focus for Shangri-La Bangkok in 2021 was to continue to be proactive in boosting demand among domestic market which was mainly holidaymakers residing in Bangkok and nearby municipalities. They were either those who frequently seek for value-of-money offers when choosing hotel's products or those who searched for new trial experience as they were unable to travel abroad. Expatriates and family living in Thailand were among the main target with their high tendency in more spending for vacation or family gathering. The hotel had seen a spike in demand mostly over the weekend as well as public holidays. This domestic source market will continue to carry on throughout 2022 in view of the uncertainty of situation even though the global vaccination has improved tremendously where some countries has reached more than 80%-90% of their population has been vaccinated.

In any case, Thailand has gathered its learnings from the "sandbox" approach and proceeded to reopen the country to receive international travelers. As of 1 November, 2021, the Thai government commenced a phased reopening of the country, allowing fully vaccinated tourists from 63 low-risk countries to visit with one day of quarantine, provided they pass a COVID-19 test upon arrival. The government has also replaced the slow-paced Certificate of Entry (COE) system with the Thailand Pass System, in an effort to make the documentation process of travelers entering Thailand more efficient than the COE application.

Revenue, Expenses & Profit

The Thai Baht depreciated from Baht 29.9 per USD in the beginning of the year to Baht 33.4 per USD at the end of year which had a small impact on both the hotel's ADR as most of the hotel's rates were quoted in Baht since August 2008. Both the hotels shifted to quoting in Thai Baht and it also has some impacted on expenses which were dollar denominated. Strong Thai Baht resulted in decrease in cost of operations from imported material, commissions paid, and service contracts.

- Shangri-La Hotel, Bangkok

Occupancy was lower by 7.1 percentage points from last year. ADR was lower than last year by Baht 1,993.5 while revenue per available Room (Revpar) was lower than last year by Baht 526.3. Overall revenue from rooms decreased by Baht 150.1 million or 64.4%.

Lower occupancy has impacted the number of F&B covers, which decreased by 81,596 or 38.7% from last year. Average check was lower by Baht 206.7 or 24.3%. Overall Food and Beverage revenues decreased by Baht 88.1 million or 44.5% from the previous year. Total F&B departmental profit for the year was Baht -12.2 million lower than last year by Baht 18.7 million or -287.7%

Minor Operating Department ("MOD") revenues decreased by Baht 8.8 million or 11.9% resulting from lower occupancy due to COVID-19 pandemic situation.

- Shangri-La Hotel, Chiang Mai

Room Revenue decreased by Baht 54.1 million. ADR for the year closed below the Bangkok property by 48.6%, which was in line with the rate differential between the two cities. Room profitability was higher than the Bangkok hotel by 10.7 percentage points due to higher occupancy.

Food and Beverage revenues in the hotel were encouraging and formed 58.7% of total hotel operating revenues. Food and Beverage Department showed a profit decreased of Baht 2.4 million (27.6%) over the previous year, while profitability was at 14.1% which was lower than last year 1.2 percentage points. Food and Beverage profitability was higher than Bangkok hotel by 227.0 percentage points.

Consolidated

In the overall results of the two hotels, there was decreased in operating revenues by Baht 317.2 million or 48.7% compared to year 2020. Cost of sales decreased by 143.2 Baht million or 36.2 %. As a result, gross profit decreased by Baht 174.0 million or 67.8% from the previous year.

Investment review

- Traders Hotel and Resort Limited

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

- Traders Yangon Company Limited

Traders Yangon Company Limited ("TYCL"), the 23.53% associated company held through Apizaco Limited and Zukerman Limited, operates Sule Shangri-La Hotel (formerly known as Traders Hotel). TYCL recorded gross revenue of USD 0.3 million in 2021, which represents a decrease of USD 4.2 million or a decrease of 93.3% from previous year. The Hotel closed effective 1 February, 2021 and occupancy of 0.7 percentage points in 2021 as compared to 17.7 percentage point in 2020, on room inventory of 466 units. Average Daily Rate decreased to USD 61.1 or 23.3% compared to USD 79.7 in prior year. Food and Beverage revenue also recorded USD 0.1 million or a decreased of USD 1.4 million compared to year 2020. The hotel recorded net loss of USD 6.4 million. TYCL has ranked Number 4 position on RevPAR in the competitive set in Yangon.

Long Term Loan of USD 50 million was finally disbursed by International Finance Corporation (IFC) to TYCL in November 2014, which was fully utilized to repay Interest free and Interest bearing Shareholders Loan. The IFC loan repayment starts in 2016 with half yearly installments starting from March 2016 of USD 3.8 million each and the rate of interest as per loan agreement is 2.1% plus 6 month LIBOR rate, which currently is 2.293% p.a.. Outstanding IFC Loan payable as at 31 December 2021 was USD 13.5 million.

- Shangri-La Yangon Company Limited

Shangri-La Yangon Company Limited ("SYCL"), the 22.22% associated company held through Apizaco Limited and Zukerman Limited, operates 2 towers of serviced apartment - Shangri-La Residences, Yangon. Both Tower 1 and 2 became fully operational on 21 October 2014 with an inventory of 240 apartments. The Serviced Apartments closed the year 2021 with an occupancy of 53.6% (Last Year 70.5%) at an average monthly rental rate of USD 5,460 (Last Year USD 5,655), contributed to a total revenue of USD 8.6 million in 2021 (Last Year USD 11.7 million), decrease of 26.5% and gross operation profit of USD 5.4 million (Last Year USD 7.8 million), decrease of 30.8%. SYCL recorded net loss of USD 0.4 million.

Long Term Loan of USD 30 million was finally disbursed by International Finance Corporation (IFC) to SYCL in November 2014, which was fully utilized to repay Interest free and Interest bearing Shareholders Loan. The IFC loan repayment starts in 2016 with half yearly instalments starting from March 2016 of USD 2.3 million each and the rate of interest as per loan agreement is 2.1% plus 6 month LIBOR rate, which currently is 2.293% p.a.. Outstanding IFC Loan payable as a 31 December 2021 was USD 2.3 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 2021 with office occupancy of 73.7% at an average rent of USD 27.1 per sqm, contributed to a total revenue of USD 7.1 million and retail occupancy of 72% at an average rent of USD 6.0 per sqm, contributed to a total revenue of USD 0.3 million. Gross operation profit of 62.5% (USD 5.3 million) with the office leasable area of 29,706 sqm and retail leasable area of 5,247 sqm. TSCL recorded net loss of USD 3.3 million.

TSCL has signed Facility Agreement dated 5 May 2017 for Long Term Loan of US$ 55 million (Facility A : US$ 25 million and Facility B : US$ 30 million) from Bangkok Bank and OCBC Bank, Yangon at an Interest rate of 3 Month Libor +2.25% per annum. The repayment of this loan will be in 7 years with 1st year grace period from signing the Facility Agreement. Facility A of USD 18.4 million was disbursed by Bangkok Bank to TSCL during August to December 2017. Outstanding Loan payable as at 31 December 2021 was USD 9.6 million.

- 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 December 31, 2021, the market value of the balance shares was HKD 67.9 million against the cost of HKD 83.7 million, thus creating an unrealized gain as reflected in the accounts.

- Hasfield Holdings Pte. Ltd.

Hasfield Holdings Pte. Ltd. is currently dormant.

Contingent Liabilities / Commitments

The Company has guaranteed loans of its two associated companies, Traders Yangon Company Limited and Shangri-La Yangon Company Limited, amounting to USD 11.8 million and USD 6.7 million, respectively.

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

Capital commitments at the end of the year stood at Baht 51 million, relating to the structures, design and construction of the building of the 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. Liquid assets consisting of cash and bank deposits represent 30.5% (previous year 30.2%) of total assets.

Assets

As at December 31, 2021, the Group's total assets amounted to Baht 7,577 million, a decrease of 1.3% over the assets at the end of 2020. These were comprised as follows:

	2021		Increase/ (Decrease)	2020	
	Baht ('000)	% to Total Assets		Baht ('000)	% to Total Assets
Cash and cash equivalents	1,352,193	17.85%	189,581	1,162,612	15.14%
Fixed deposits with financial institutions	957,600	12.64%	(195,000)	1,152,600	15.01%
Trade and other receivables - net	28,897	0.38%	10,918	17,979	0.24%
Inventories - net	20,297	0.27%	(4,538)	24,835	0.32%
Other current assets	18,342	0.24%	(3,658)	22,000	0.29%
Other non-current financial assets	466,103	6.15%	53,751	412,351	5.37%
Long-term loans to and interest receivables from related parties	1,113,630	14.70%	(43,848)	1,157,478	15.07%
Property, plant and equipment - net	3,416,582	45.09%	(184,285)	3,600,867	46.89%
Intangible assets - net	750	0.01%	(2,461)	3,211	0.04%
Deferred tax assets - net	199,661	2.63%	79,216	120,445	1.57%
Other non-current assets	3,396	0.04%	(899)	4,295	0.06%
Total	**7,577,451**	**100.00%**	**(101,222)**	**7,678,673**	**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 504 million from a related party since year 2013.

The Current ratio decreased to 12.1 against 12.6 in the previous year as a result of increase in trade payable.

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, 2021 was Baht 1,352.2 million, a increase of Baht 189.6 million from the previous year. Fixed deposit with financial institutions decreased of Baht 195.0 million from previous year with ending balance as 31 December, 2021 was Baht 957.6 million, withdrawal of fixed deposit due to COVID-19 pandemic situation for hotel revolving fund. Long-term loans to and interest receivables from related parties ending balance as 31 December, 2021 was Baht 1,113.6 million, a decrease of Baht 43.9 million from previous year due to the impairment losses on financial assets as per IFRS9 and share of losses from deemed investment of Yangon Properties.

Performance

The Company's consolidated revenues from hotel operations decreased by Baht 317.2 million for the year 2021 or a decrease of 48.7 percentage point from the previous year. The decrease in revenues was a result of decrease in occupancies in Shangri-La Hotel, Bangkok by 7.1 percentage points. Whereas occupancy levels in Shangri-La Hotel, Chiang Mai was decreased by 5.9 percentage points. ADR of Shangri-La Hotel, Bangkok decreased by 39.0 percentage point and ADR of Shangri-La Hotel, Chiang Mai decreased by 54.6 percentage point. Food and Beverage revenues decreased in totality by 39.4 percentage point mainly from lower F&B covers than prior year resulting from lower occupancy due to COVID-19 pandemic situation.

The consolidated loss before corporate income tax for the year ended 31 December, 2021 decreased by Baht 475.6 million from the previous year. The decrease in consolidated loss before corporate income tax was due to the increase in the Company's loss before corporate income tax of Baht 73.3 million and the decrease in loss of subsidiaries of Baht 548.9 million. The decrease in loss of subsidiaries was largely due to the impairment losses on financial assets as per IFRS9 and share of losses from deem investment of Yangon Properties.

In line with decrease in revenues, selling expenses decreased by Baht 40.6 million or 44.9 percentage point, administrative expenses decreased by Baht 96.5 million or 27.6 percentage point. Depreciation decreased by Baht 21.5 million or 9.6%. Consequently, the total loss before corporate income tax was at Baht 582.5 million. The deferred tax assets created on tax losses for this year was Baht 96.2 million. The non-controlling interest of the subsidiary for this year was Baht 6.4 million. As a result, the Company recorded a net loss after tax of Baht 492.8 million for the year ended 31 December, 2021 (decreased by 49.9%).

Loss per share in 2021 was Baht 3.79 whereas loss per share in 2020 was Baht 7.56.

Significant Financial Information

Shangri-La Hotel Public Company Limited and its Subsidiaries

Consolidated Statement of Financial Position

As at 31 December 2021, 2020 and 2019

(Unit : Baht)

	2021	2020	2019
Assets			
Current assets			
Cash and cash equivalents	1,352,193,219	1,162,612,500	1,402,752,931
Fixed deposits with financial institutions	957,600,000	1,152,600,000	1,752,848,106
Trade and other receivables	28,896,803	17,978,578	147,763,563
Inventories	20,296,652	24,834,594	26,586,087
Other current assets	18,341,991	21,999,625	20,051,750
Total current assets	2,377,328,665	2,380,025,297	3,350,002,437
Non-current assets			
Other non-current financial assets	466,102,864	412,351,240	-
Investments in subsidiaries	-	-	-
Investments in associates	-	-	-
Other long-term investments			
Investments in related party	-	-	331,075,666
Investments in other company	-	-	131,150,597
Long-term loans to and interest receivables			
from related parties	1,113,630,436	1,157,478,202	1,795,263,990
Property, plant and equipment	3,416,582,286	3,600,867,111	3,608,705,574
Intangible assets	750,015	3,211,141	6,865,475
Deferred tax assets	199,660,874	120,445,358	34,889,080
Other non-current assets	3,395,990	4,294,714	18,811,209
Total non-current assets	5,200,122,465	5,298,647,766	5,926,761,591
Total assets	7,577,451,130	7,678,673,063	9,276,764,028

Shangri-La Hotel Public Company Limited and its Subsidiaries

Consolidated Statement of Financial Position (Continued)

As at 31 December 2021, 2020 and 2019

(Unit : Baht)

	2021	2020	2019
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	99,652,227	97,713,021	268,509,513
Short-term loans from related party	-	-	-
Income tax payable	2,184,886	2,111,302	86,673,588
Other current liabilities	95,380,267	89,095,897	168,328,782
Total current liabilities	197,217,380	188,920,220	523,511,883
Non-current liabilities			
Provision for long-term employee benefits	96,325,905	79,586,749	89,613,511
Deferred tax liabilities	8,603,948	7,571,029	-
Other non-current liabilities	24,137,768	21,589,261	22,243,487
Total non-current liabilities	129,067,621	108,747,039	111,856,998
Total liabilities	326,285,001	297,667,259	635,368,881
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	3,362,751,288	3,842,243,175	5,123,875,879
Other components of shareholders' equity	754,369,021	456,001,836	435,980,913
Equity attributable to owners of the Company	7,137,520,309	7,318,645,011	8,580,256,792
Non-controlling interests of the subsidiary	113,645,820	62,360,793	61,138,355
Total shareholders' equity	7,251,166,129	7,381,005,804	8,641,395,147
Total liabilities and shareholders' equity	7,577,451,130	7,678,673,063	9,276,764,028

Shangri-La Hotel Public Company Limited and its Subsidiaries

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2021, 2020 and 2019

(Unit : Baht)

	2021	2020	2019
Profit or loss:			
Revenues			
Revenues from hotel operations	334,507,828	651,656,818	2,503,260,762
Other income			
Exchange gains	-	-	20,051,828
Others	21,366,005	11,665,795	46,333,219
Total revenues	355,873,833	663,322,613	2,569,645,809
Expenses			
Cost of hotel operations	251,838,632	394,992,441	808,729,490
Selling expenses	49,803,533	90,385,364	170,450,412
Administrative expenses	253,094,036	349,552,885	557,368,687
Depreciation and amortisation expenses	201,520,425	223,017,004	216,648,065
Allowance for losses on loans	-	-	89,830,274
Exchange losses	26,239,356	21,813,295	-
Allowance for expected credit losses of			
trade receivables (reversal)	(837,824)	4,305,782	-
Impairment losses on financial assets	158,071,360	469,290,118	-
Total expenses	939,729,518	1,553,356,889	1,843,026,928
Operating profit (loss)	(583,855,685)	(890,034,276)	726,618,881
Share of losses from investments in associates	(27,711,562)	(218,480,703)	-
Finance income	29,034,062	50,582,470	85,238,317
Finance cost	-	(197,573)	-
Profit (loss) before income tax	(582,533,185)	(1,058,130,082)	811,857,198
Income tax benefits (expenses)	96,169,233	76,238,646	(163,622,176)
Profit (loss) for the year	(486,363,952)	(981,891,436)	648,235,022

Shangri-La Hotel Public Company Limited and its Subsidiaries

Consolidated Statement of Comprehensive Income (Continued)

As at 31 December 2021, 2020 and 2019

(Unit : Baht)

	2021	2020	2019
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	285,519,747	64,052,872	(234,363,313)
Loss on investments in equity designated at fair value			
through other comprehensive income	-	-	(149,218,941)
Other comprehensive income to be reclassified			
to profit or loss in subsequent periods	285,519,747	64,052,872	(383,582,254)
Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods:			
Actuarial loss - net of income tax	(9,663,666)	-	-
Gain (loss) on changes in value of			
equity investments designated at fair value			
through other comprehensive income - net of income tax	80,668,196	(50,050,779)	-
Other comprehensive income not to be reclassified			
to profit or loss in subsequent periods - net of income tax	71,004,530	(50,050,779)	-
Total other comprehensive income for the year	356,524,277	14,002,093	(383,582,254)
Total comprehensive income for the year	(129,839,675)	(967,889,343)	264,652,768
Profit (loss) attributable to:			
Equity holders of the Company	(492,809,632)	(983,113,874)	644,963,587
Non-controlling interests of the subsidiary	6,445,680	1,222,438	3,271,435
	(486,363,952)	(981,891,436)	648,235,022
Total comprehensive income attributable to:			
Equity holders of the Company	(181,124,702)	(969,111,781)	261,381,333
Non-controlling interests of the subsidiary	51,285,027	1,222,438	3,271,435
	(129,839,675)	(967,889,343)	264,652,768
Earnings per share			
Basic earnings (loss) per share			
Profit (loss) attributable to equity holders of the Company	(3.79)	(7.56)	4.96

Shangri-La Hotel Public Company Limited and its Subsidiaries

Consolidated Cash Flow Statement

For the year ended 31 December 2021, 2020 and 2019

(Unit : Baht)

	2021	2020	2019
Cash flows from operating activities			
Profit (loss) before tax	(582,533,185)	(1,058,130,082)	811,857,198
Adjustments to reconcile profit (loss) before tax to			
net cash provided by (paid from) operating activities:			
Depreciation and amortisation	201,520,425	223,017,004	216,648,065
Bad debt	-	-	1,029,236
Allowance for doubtful accounts (reversal)	-	-	(175,801)
Reduction of inventory to net realisable value (reversal)	298,737	(81,335)	(640,816)
Allowance for expected credit loss of trade receivables (reversal)	(837,824)	4,305,782	-
Impairment losses on financial assets	158,071,360	469,290,118	-
Allowance for losses on loans	-	-	89,830,274
Gain on disposals/write-off of machinery,			
equipment and motor vehicle	(277,632)	(327,286)	(1,065,991)
Share of losses from investments in associates	27,711,562	218,480,703	-
Gain from termination of lease contract	-	(145,261)	-
Provision for long-term employee benefits	7,409,471	7,047,345	21,110,616
Unrealised loss (gain) on exchange	-	-	-
Dividend income	(11,721,760)	(3,197,460)	(17,683,165)
Finance income	(29,034,062)	(50,582,470)	(85,238,317)
Finance cost	-	197,573	-
Profit (loss) from operating activities before			
changes in operating assets and liabilities	(229,392,908)	(190,125,369)	1,035,671,299
Operating assets (increase) decrease			
Trade and other receivables	(10,323,451)	119,189,925	(5,946,197)
Inventories	4,239,205	1,832,828	1,088,965
Other current assets	5,904,206	(355,071)	810,303
Other non-current assets	898,724	4,516,495	(7,234,516)
Operating liabilities increase (decrease)			
Trade and other payables	1,709,941	(170,796,492)	(64,578,230)
Other current liabilities	6,284,370	(79,232,885)	22,267,349
Provision for long-term employee benefits	(2,749,897)	(17,074,107)	(5,835,216)
Other non-current liabilities	2,548,507	(654,226)	1,729,629
Cash flows from (used in) operating activities	(220,881,303)	(332,698,902)	977,973,386
Cash paid for corporate income tax	(8,746,608)	(88,743,408)	(157,119,121)
Net cash flows from (used in) operating activities	(229,627,911)	(421,442,310)	820,854,265

Shangri-La Hotel Public Company Limited and its Subsidiaries

Consolidated Cash Flow Statement (Continued)

For the year ended 31 December 2021, 2020 and 2019

(Unit : Baht)

	2021	2020	2019
Cash flows from investing activities			
Decrease in fixed deposits with financial instituations	195,000,000	600,248,106	119,182,479
Proceeds from sales of other non-current financial assets	87,778,060	-	-
Cash received from interest income	10,177,284	35,572,700	54,365,500
Dividend income	11,721,760	3,197,460	17,683,165
Acquisitions of property, plant and equipment	(14,458,075)	(198,015,691)	(2,009,814,713)
Acquisitions of intangible assets	(98,100)	(144,200)	(4,769,186)
Proceeds from disposals of machinery, equipment and motor vehicle	288,598	1,557,336	1,533,841
Net cash flows from (used in) investing activities	290,409,527	442,415,711	(1,821,818,914)
Cash flows from financing activities			
Cash paid for lease liability	-	(3,599,105)	-
Interest paid	-	(197,573)	-
Dividend paid	-	(292,500,000)	(292,500,000)
Net cash flows used in financing activities	-	(296,296,678)	(292,500,000)
Increase (decrease) in translation adjustments	29,078,534	19,105,380	(20,573,725)
Net increase (decrease) in cash and cash equivalents	89,860,150	(256,217,897)	(1,314,038,374)
Effects of exchange rate changes on cash and cash equivalents	99,720,569	16,077,466	(65,482,296)
Cash and cash equivalents at beginning of year	1,162,612,500	1,402,752,931	2,782,273,601
Cash and cash equivalents at end of year	1,352,193,219	1,162,612,500	1,402,752,931

Financial Ratio

Ratio		Consolidated Financial Statement		
		2021	2020	2019
Liquidity Ratio				
Current ratio	(Times)	12.05	12.60	6.40
Quick ratio	(Times)	11.86	12.35	6.31
Cash Flow Liquidity	(Times)	(1.19)	(1.18)	1.52
Account Receivable Turnover	(Times)	16.76	8.82	19.49
Average Collection Period	(Days)	21.49	40.82	18.47
Inventory turnover	(Times)	11.16	15.36	30.17
Average sales period	(Days)	32.26	23.43	11.93
Account Payable Period	(Times)	9.21	8.99	12.34
Payment Period	(Days)	39.08	40.05	29.17
Cash Cycle	(Days)	14.67	24.20	1.24
Profitability Ratio				
Gross Profit Margin	(%)	24.71	39.39	67.69
Net Profit / (Loss) Margin	(%)	(138.48)	(148.21)	25.10
Return on Equity	(%)	(6.82)	(12.37)	7.50
Efficiency Ratio				
Return On Assets	(%)	(6.46)	(11.60)	6.94
Return On Fixed Assets	(%)	(8.30)	(21.09)	31.79
Assets Turnover	(Times)	0.05	0.08	0.28
Financial Policy Ratio				
Debt to Equity ratio	(Times)	0.04	0.04	0.07
Interest Coverage	(Times)	-	-	-
Cash Flow Adequacy	(Times)	15.78	0.86	0.36
Dividend Payout ratio	(%)	-	-	45.35

General Information and Other Material Facts

Other information that may influence the decision making of investors

None

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

Legal disputes

As at December 31, 2021 there was no material legal disputes other than small recovery suits.

Secondary market

None

Corporate Governance

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 of Directors 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 matterss 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 contains all important information and are kept properly by the Company Secretary. Furthermore, the Company proposes the Meeting of the Board of Directors 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 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.

Principle 3 Strengthen Board Effectiveness

The Board is responsible for determining and reviewing the Board of Directors 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 appoint the Audit Committee to assist and to support the Board's discharge of duties.

Nomination and Appointment of Directors and Independent Directors

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

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

1. Mr. Kovit Poshyananda
2. Mr. Jayavadh Bunnag
3. Mr. Kledchai Benjaathonsirikul
4. Mr. Chor.nun Petpaisit

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. Encouraging 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 gives importance 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 were set and implemented the business operations with concern for safety, hygiene, social and environmental responsibility and development of employees.

Role of the Stakeholders

The Company is conscious of the rights of various stakeholders involved in operations such as shareholders, customers, business partners, employees, community, and environment. 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, we are committed to certain core values that define our reputation and brand: integrity, fairness, respect, ethical business conduct, and excellence in service.

- Shareholders

The Company determines the policy and direction for operations, inclusive of business development models, in a continuous manner, to build stable growth and sustain the profitable generation, to be beneficial for shareholders in the long run.

- Customers

The Company gives importance to customers by taking into consideration the goods and services qualities as provided for customers. The employees shall render services to and treat customers in excellent and equal manners. In this regard, the Company successively improves the services so rendered by providing training on a variety of aspects to build maximum benefit to its customers and to cause impression to its customers for using its services on a regular basis.

- Suppliers / Business Partners

The Company treats its distributors in the equal and fair manners by letting every of the distributors take part in goods and price quotation, including letting the suppliers / business partners to attend bidding for goods provision of goods or services to the Company and supervising the compliance with trade and contractual conditions as agreed, for the maximum benefit of the Company based upon just remuneration given to every party.

- Employees

The employees are the most valuable resource for operations, thus, the Company gives an importance to and aims to provide the employees good welfares in operations and treat every employee in the equal and fair manners, including oversees the operational welfares and safety at all times and lets the employees to express their opinions, render their recommendations, and give their complaints, by providing recommendation and complaint boxes, the data in which shall be sent to the General Manager for consideration and taking further actions. Additionally, the Company provides training on a variety of aspects to develop knowledge and abilities of the employees in a continual manner to give the employees the advanced operational skills and capabilities.

- Community 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.

Principle 6 Effective Risk Management and Internal Control

The Board of Directors 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.

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 office 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.

Principle 7 Ensure Disclosure and Financial Integrity

The Board of Directors 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 Secretary of the Company.

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 securities holding of Board of Directors 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 shareholder 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.

Due to the ongoing of COVID-19 pandemic in Thailand in 2021 and the health and safety of all attendees and related persons are of the Company's concerns in convening the Annual General Meeting of Shareholders (AGM). Also, in correspondence with the Government authority's COVID-19 controlling measures, the Board of Directors at its Meeting on 29 April 2021 resolved to change the method of convening the AGM via electronic media (e-AGM). The notice of shareholders' meeting including the annual report were distributed to shareholders 14 days prior to the commencements of the meeting. The shareholders acknowledged the agenda, the results of operations, financial reports, and various information in an equal manner. In the case where the Shareholder could not attend the meeting by him/herself, such shareholder could give a proxy to the Audit Committee members who were independent directors, or any person to attend the meeting by using any form of the proxies enclosed together with notice of shareholders' meeting to attend the meeting and the shareholder could indicate his/her opinion on voting therein.

At the meeting, shareholders can raise any questions and comments on the performance and future direction of the Company with the Directors. The directors are present at the Annual General Meeting of Shareholders to answer questions raised by shareholders or other parties. The Chairman of Audit Committee is also present to answer questions at any general meeting concerning approval of connected transactions or any other transactions that are subject to shareholders' approval.

The Chairman of the meeting also presented all types of the directors' remunerations which are remunerations of Directors and Audit Committee members to the shareholders to consider and approve every year.

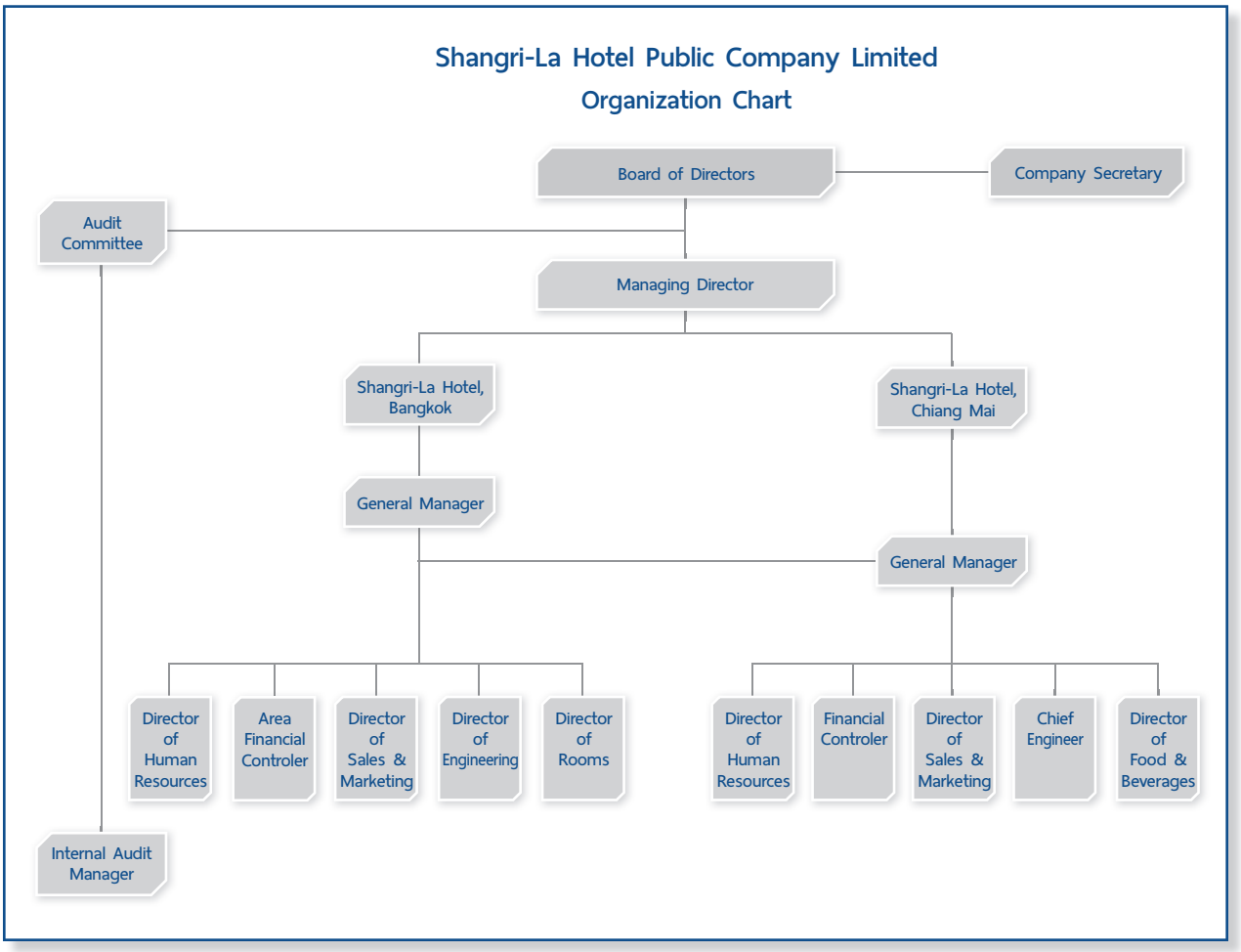
With respect to voting, the right to vote in the meeting shall be in accordance with the number of shares held by the shareholder, on a one-share one-vote basis.

For election of director, the shareholders have the right to vote for individual director by nominating the name list of directors to the shareholders to vote one by one.

After the meeting, the Company notified the resolutions passed at the shareholder meeting via news system of the Stock Exchange of Thailand within the same workday and thereafter submitted the minutes of the shareholders meeting containing the resolution of each agenda, inclusive of questions asked by the shareholders to the Stock Exchange of Thailand within 14 days as from the date of the meeting.

Corporate Governance Structure and Significant Information related to the Board of Directors, Subcommitees, Executives, Employees and Others

Corporate Governance Structure



Information on the Board of Directors

The Composition of the Board of Directors

To ensure appropriate segregation of policy issuing from regular managerial responsibilities, the Chairman of the Board was 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 judgement, knowledge, and experience to the Board's deliberation.

As of December 31, 2021, the Company's Board of Directors comprised 11 members including 4 independent directors.

Name of Directors	Title
1. Mr. Maris Pakdeetaveevivat	Vice Chairman and Managing Director
2. Mr. Chan Kong Leong	Director
3. Mr. Lee Hui Yeow	Director
4. Mrs. Chanida Asdathorn	Director
5. Mr. Somkiat Asdathorn	Director
6. Mr. Surin Asdathorn	Director
7. Mrs. Pavinee Meensuk	Director
8. Mr. Kovit Poshyananda	Independent Director
9. Mr. Jayavadh Bunnag	Independent Director
10. Mr. Kledchai Benjaathonsirikul	Independent Director
11. Mr. Chor.nun Petpaisit	Independent Director

Authorized Signatory

The Directors who are authorised to sign documents in binding the Company are as follows:

"Any two of Mr. Maris Pakdeetaveevivat and/or Mr. Chan Kong Leong and/or Mr. Lee Hui Yeow and/or Mrs. Chanida Asdathorn and/or Mr. Somkiat Asdathorn and/or Mr. Surin Asdathorn and/or Mrs. Pavinee Meensuk to sign jointly and affix the Company's seal".

Controlling person

None

Roles and Duties of the Board of Directors

The Board is responsible for the leadership and control of the Company, approve 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 annual 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 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 contains all important information and are kept properly by the Company Secretary. Furthermore, the Company proposes the Meeting of the Board of Directors to certify such Minutes thereof as proposed in the first agenda of the following Meeting of the Board of Directors.

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 pursuance of the resolutions of the Board of Directors 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.

Information on subcommittees

- Audit Committee

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

1. To review the financial reporting process of the Company to ensure accurate and adequate disclosure;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient;
3. To ensure the Company is in compliance with the Securities and Exchange Acts, the regulations of the Stock Exchange of Thailand, and any other laws governing the Company's business;
4. To determine the independence of the internal audit department, as well as to approve the appointment, transmission, and dismissal of the internal audit manager;
5. To consider, select and nominate an independent person to act as an external auditor of the Company, to recommend his/her remuneration, and to attend the non-management meeting with the external auditor at least once a year;
6. To review and ensure that connected transactions or the transactions that may lead to potential conflict of interest are conducted in compliance with the laws and regulations of the Stock Exchange of Thailand so as to ascertain such transactions are for the best interests of the Company;
7. To prepare and disclose the Report of the Audit Committee in the Form 56-1 One Report of the Company. The Report of the Audit Committee must be signed by the Chairman of the Audit Committee and contains the following details:
   (a) The opinion of the Audit Committee regarding the accuracy, completeness, reliability of the financial statements of the Company;
   (b) The opinion of the Audit Committee regarding the adequacy of the internal control system of the Company;
   (c) The opinion of the Audit Committee regarding the compliance with the Securities and Exchange Acts, the regulations of the Stock Exchange of Thailand, and any other laws governing the Company's business;
   (d) The opinion of the Audit Committee regarding the suitability of the external auditor of the Company;
   (e) The opinion of the Audit Committee regarding the transactions that may lead to potential conflict of interest;

(f) The number of the meeting of the Audit Committee held during the year and individual attendance of each member;

(g) Any other opinions or remarks received by the Audit Committee, when performing its duty in accordance with the Charter of the Audit Committee; and

(h) Other issues deemed necessary to be disclosed to the shareholders and the investors under the roles and responsibilities authorized by the Board.

8. In performing the duty of the Audit Committee, when the following transactions or actions that may materially affect the financial status or operational performance of the Company are found or suspected, the Audit Committee must report the finding of the said event to the Board for corrective actions within a proper period as fixed by the Audit Committee:

(a) Transaction with conflict of interest;

(b) Fraud, irregularity, or material defect in the internal control system; and

(c) Violation of the Securities and Exchange Acts, the regulations of the Stock Exchange of Thailand, and any other laws governing the Company's business.

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

9. To review and ensure efficiency of the risk management system of the Company;

10. To review and amend the Charter of the Audit Committee, subject to the approval of the Board; and

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

- Nomination Committee

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

Names of subcommittee

Audit Committees

The Audit Committee comprises three independent directors as follows:

Name of Audit Committee	Title
1. Mr. Kovit Poshyananda	Chairman of the Audit Committee and Independent Director with expertise in finance and accounting
2. Mr. Jayavadh Bunnag	Member of the Audit Committee and Independent Director
3. Mr. Kledchai Benjaathonsirikul	Member of the Audit Committee and Independent Director

Information on Executives

Executives are as follows:

- Shangri-La Hotel, Bangkok

1. Mrs. Yue Toy Hang	General Manager
2. Ms. Nipa Smanote	Area Financial Controller
3. Ms. Chung Mei Cheen	Director of Sales & Marketing
4. Mr. Woon Swee Tong	Director of Engineering
5. Ms. Paphun Chotigasupa	Director of Human Resources
6. Mr. Sambhangi Raja Phani Madhav	Director of Rooms

Remarks : Mr. Jose Luis Duran Sanles (Executive Assistant Manager of Food & Beverage) resigned on 15/02/2022.

- Shangri-La Hotel, Chiang Mai

1. Mr. Gabriele Lombardo	General Manager
2. Ms. Wiyada Sornprapha	Director of Sales and Marketing
3. Ms. Sukanya Jittanan	Director of Human Resources
4. Mr. Eshank Sharma	Financial Controller
5. Mr. Gian Yosuke Sommerau	Director of Food and Beverages
6. Mr. Chalerm Proka	Chief Engineer

Remuneration Policy for Executive Directors and Executives

To maintain the company's world-class service standards 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

Remuneration of Directors and Executive Management

The remuneration paid to the Company's Board of Directors and Executive Management for the year ended December 31, 2021 are as follows:

- Board of Directors

Name	Remuneration (Baht)		Total
	Board	Audit Committee	
1. Mr. Kovit Poshyananda	180,000	400,000	580,000
2. Mr. Jayavadh Bunnag	180,000	300,000	480,000
3. Mr. Kledchai Benjaathonsirikul	180,000	300,000	480,000
4. Mr. Chor.nun Petpaisit	180,000	-	180,000
Total	**720,000**	**1,000,000**	**1,720,000**

Remarks: The Annual General Meeting of Shareholders, which was held on 14 May 2021, resolved to approve the payment of annual remuneration of the Board of Directors and the Audit Committee for the year 2021 at rates specified in the table below:

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

However, due to the COVID-19 pandemic which started in 2020 and still persists, the Company's performance has been impacted and not met the target. Therefore, the directors have declared their intention not to receive remuneration for the years 2020 and 2021 and proposed to the Board of Directors at its meeting held on 22 February 2021 to consider. The Board of Directors' Meeting considered and resolved to pay the remuneration to the Independent Directors and the Audit Committee as per details specified in the above mentioned.

- Executive Management

In the year 2021, the Company paid salary and bonus including provident fund contribution to the Company's Executive Management in a total amount of Baht 34.84 million.

- Employees

As of December 31, 2021, the Company has a total of 724 full-time employees, comprising 547 employees of Shangri-La Hotel, Bangkok and 177 employees of Shangri-La Hotel, Chiang Mai, which can be divided as follows:

(Unit: Person)

Type of Staff	Shangri-La Hotel Bangkok	Shangri-La Hotel Chiang Mai
- Operational staff	472	124
- Office staff	75	53
Total	**547**	**177**

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 2021, the Company has employee expenses in the amount of Baht 284.91million.

Other significant information

None

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 executives 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.

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 Samanote, who is the Area Financial Controller, appear in Attachment 1.

Person holding the position of Internal Audit of the Company

According to the Licence 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'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.

Miss Pastharee Theerajittiwong has been appointed as the new Internal Audit Manager on 1 February 2022 to replace Miss Maneerat Mangkorn.

Person holding the position of Head of Compliance Unit

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.

The Remunerations of the Auditor

Audit fee

The following auditors of EY Office Limited, Mrs. Chonlaros Suntiasvaraporn (Certified Public Accountant (Thailand) No. 4523 and/or Ms. Siraporn Ouaanunkun Certified Public Accountant (Thailand) No. 3844 and/or Mr. Chatchai Kasemsrithanawat Certified Public Accountant (Thailand) No. 5813, were appointed as the Company's auditors for the fiscal year ended December 31, 2021 with the remuneration of Baht 1,440,000 (2020: Baht 1,740,000).

Non-Audit fee

There was no transaction for non-audit fee paid during the year 2021.

Report on Key Operating Results related to Corporate Governance

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

During the financial year ended 31 December 2021, the Board held six meetings 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 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 also 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:

Name of Director	Meeting attended / Eligible to attend	%
1. Mr. Maris Pakdeetaveevivat	6/6	100%
2. Mr. Chan Kong Leong	6/6	100%
3. Mr. Lee Hui Yeow ***	1/1	100%
4. Mrs. Chanida Asdathorn	6/6	100%
5. Mr. Somkiat Asdathorn	6/6	100%
6. Mr. Surin Asdathorn	5/6	83%
7. Mrs. Pavinee Meensuk	6/6	100%
8. Mr. Kovit Poshyananda	6/6	100%
9. Mr. Jayavadh Bunnag	6/6	100%
10. Mr. Kledchai Benjaathonsirikul	6/6	100%
11. Mr. Chor.nun Petpaisit	6/6	100%

*** Mr. Lee Hui Yeow has been appointed as the new director by the Board of Directors at its Meeting on 09/08/2021 and be registered with the Department of Business Development on 13/08/2021.

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 be carried out with due consideration to ensure that the appointed persons are qualified and knowledgeable and possesse 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.

Prevention of Conflict of Interest

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.

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.

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. 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.

In addition to the Code of Conducts & Ethics, to ensure that the Company has a proper policy determining responsibility, guideline and regulation as a tool to prevent corruption from all business transactions, it has developed a written guideline in order to prudently make a decision on any course of action that could possibly lead to corruption and to serve as an apparent guideline in performing business and effectively developing to sustainability organization.

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

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

The Company has planned to continue working on the anti-corruption assessment and development of policies and guidelines in order to obtaining the CAC Certificate.

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, wrongdoings, quickly.

Because the organization believes that treating everyone with fairness. Honesty and dignity are not only part of corporate culture but are also essential to making any business successful. The Company is committs 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 Hotel Group has developed a Code of Conduct and Ethics as a guideline for work practices for all employees at all levels. Covering human rights 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.

Report of the Board of Directors' responsibilities to the Financial Statements

The Board of Directors is responsible for the Company's consolidated financial statements and financial information presented in this Report. The aforementioned financial statements which reviewed by the Audit Committee have been prepared in accordance with the Thai Financial Reporting Standards where an appropriate accounting policy has been selected and implemented on a regular basis.

The Board of Directors is of the opinion that the financial statements of the Company and its subsidiaries as of 31 December 2021 are complete, accurate and reliable.

Report on the results of duty 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 2021 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 2021 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 21 February, 2022, the Audit Committee also reviewed the financial statements of the Company for the year ended 31 December 2021 prior to recommending them to the Board of Directors for approval.

The Audit Committee's meetings and the attendance of each member

The Audit Committee met four times during the financial year ended 31 December, 2021 and the attendance record is set out in the table below:-

Name of Audit Committee	Title	Meeting attended / Eligible to attend	%
1. Mr. Kovit Poshyananda	Chairman and Independent Director with expertise in finance and accounting	4/4	100%
2. Mr. Jayavadh Bunnag	Independent Director	4/4	100%
3. Mr. Kledchai Benjaathonsirikul	Independent Director	4/4	100%

Internal Control and Related Party Transactions

Internal control

Controlling System and Internal Audit

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. 2/2022 held on 21 February 2022 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.

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.

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 2021, the Company and its subsidiaries had significant business transactions with related parties. Such transactions were concluded on terms and bases agreed upon between the Company and those related parties with the general trading conditions as per details appeared in Note 6 of Notes to Consolidated Financial Statements.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Shangri-La Hotel Public Company Limited

Opinion

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

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

Basis for Opinion

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

Emphasis of Matters

I draw attention to Note 1.2 to the consolidated financial statements. The Coronavirus disease 2019 pandemic affects the Group's hotel business due to the restriction on entry into the country of foreign tourists, reducing in purchasing power, including the government measures to prevent and control the spread of the Coronavirus disease 2019 pandemic, and this is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

My opinion is not qualified in respect of this matter.

Key Audit Matters

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

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

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

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

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

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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

Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

EY Office Limited
Bangkok: 21 February 2022

Shangri-La Hotel Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2021

(Unit: Baht)

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

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

Shangri-La Hotel Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2021

(Unit: Baht)

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

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

Shangri-La Hotel Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2021

(Unit: Baht)

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

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

Shangri-La Hotel Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2021

(Unit: Baht)

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

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

Shangri-La Hotel Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2021

(Unit: Baht)

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

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

Shangri-La Hotel Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2021

(Unit: Baht)

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

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

Shangri-La Hotel Public Company Limited and its subsidiaries
Cash flow statement
For the year ended 31 December 2021

(Unit: Baht)

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

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

Shangri-La Hotel Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2021

(Unit: Baht)

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

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

1. General information

1.1 General information of the Company

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

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic affects the Group's hotel business due to the restriction on entry into the country of foreign tourists, reducing in purchasing power, including the government measures to prevent and control the spread of the Coronavirus disease 2019 pandemic, and this is significantly impacting the Group's financial position, operating results, and cash flows at present, and is expected to do so in the future. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

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

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.

f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial

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

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Revenues from hotel and restaurant operations

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

Interest income

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

Finance cost

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

Dividends

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

4.2 Cash and cash equivalents

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

4.3 Inventories

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

4.4 Investments in associates

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

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

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

4.5 Investments in subsidiaries

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

4.6 Property, plant and equipment/Depreciation

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

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

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

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

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

4.7 Intangible assets

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

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

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

4.8 Related party transactions

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

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

4.9 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.10 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss.

4.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits and other long-term employee benefits

Defined contribution plans

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

Defined benefit plans and other long-term employee benefits

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

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

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

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

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

4.12 Provisions

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

4.13 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.14 Financial instruments

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

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

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

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

Financial assets designated at FVOCI (equity instruments)

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

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

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

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

Classification and measurement of financial liabilities

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

Regular way purchases and sales of financial assets

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

Derecognition of financial instruments

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

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

Impairment of financial assets

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

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

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

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

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

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

Offsetting of financial instruments

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

4.15 Fair value measurement

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

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

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

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

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

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

5. Significant accounting judgements and estimates

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

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

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

Property, plant and equipment/Depreciation

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

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

Deferred tax assets

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

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

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

6. Related party transactions

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

(Unit: Million Baht)

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

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Long-term loans to and interest receivables from related parties				
Associated companies				
Non-interest bearing				
Traders Square Company Limited	45,301	40,716	-	-
	45,301	40,716	-	-
Interest bearing				
Traders Yangon Company Limited	543,879	488,827	-	-
Shangri-La Yangon Company Limited	803,512	711,915	-	-
Traders Square Company Limited	830,296	738,576	-	-
	2,177,687	1,939,318	-	-
Total	2,222,988	1,980,034	-	-
Less: Allowance for impairment losses on financial assets (Note 12)	(847,071)	(612,848)	-	-
Total	1,375,917	1,367,186	-	-
Less: Share of losses from investments in associates (Note 12)	(262,287)	(209,708)	-	-
Total long-term loans to and interest receivables from related parties - net	1,113,630	1,157,478	-	-

The interest-bearing portions of the loans carry interest at rates of USD LIBOR and 0.92 to 2.05 percent per annum. The loans are unsecured and repayable on demand. The Group deemed these long-term loans that, in substance, form part of the interests in associates as described in Note 12.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Other payables - related parties (Note 14)				
Related companies				
Shangri-La International Hotel Management Pte., Ltd.	22,182	22,897	22,103	22,897
Shangri-La International Hotel Management Limited	2,739	2,991	2,739	2,991
Shangri-La International Hotel Management BV	-	-	-	-
Other	92	975	92	5
Total other payables - related parties	25,013	26,863	24,934	25,893
Short-term loans from related party				
Subsidiary				
Hasfield Holdings Pte., Ltd.	-	-	503,894	453,102
Total short-term loans from related party	-	-	503,894	453,102

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 as at 1 January 2021	Increase during the year	Decrease during the year	Translation adjustment	Balance as at 31 December 2021
Long-term loans to and interest receivables from related parties					
Associated companies					
Non-interest bearing					
Traders Square Company Limited	40,716	-	-	4,585	45,301
Interest bearing					
Traders Yangon Company Limited	488,827	-	-	55,052	543,879
Shangri-La Yangon Company Limited	711,915	10,928	-	80,669	803,512
Traders Square Company Limited	738,576	8,172	-	83,548	830,296
Total	1,980,034	19,100	-	223,854	2,222,988
Less: Allowance for impairment losses on financial assets	(612,848)	(158,071)	-	(76,152)	(847,071)
Total	1,367,186	(138,971)	-	147,702	1,375,917
Less: Share of losses from investments in associates (Note 12)	(209,708)	(27,711)	-	(24,868)	(262,287)
Total long-term loans to and interest receivables from related parties - net	1,157,478	(166,682)	-	122,834	1,113,630

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

(Unit: Thousand Baht)

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

Directors and management's benefits

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

(Unit: Thousand Baht)

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

Guarantee obligations with related parties

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

7. Cash and cash equivalents

(Unit: Thousand Baht)

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

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

8. Trade and other receivables

(Unit: Thousand Baht)

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

9. Inventories

(Unit: Thousand Baht)

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

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

10. Other non-current financial assets

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

The current year, non-listed equity instruments (Don Muang Tollway Public Company Limited) is listed in the Stock Exchange of Thailand, with trading permitted from 7 May 2021.

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

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

11. Investments in subsidiaries

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

(Unit: Thousand Baht)

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

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	
			2021	2020	2021	2020
					(Percent)	(Percent)
Subsidiaries held through Town Development Company Limited						
TRR-Kerry Development Company Limited	Holding investment	Thailand	Baht 231 million	Baht 231 million	57.33	57.33
Apizaco Limited	Holding investment	Hong Kong	HKD 206 million	HKD 206 million	100.00	100.00
Hasfield Holdings Pte., Ltd.	Dormant	Singapore	SGD 34 million	SGD 34 million	100.00	100.00
Traders Hotel and Resort Limited	Dormant	Thailand	Baht 0.2 million	Baht 0.2 million	100.00	100.00
Subsidiary held through Apizaco Limited						
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 non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year	
	2021	2020	2021	2020	2021	2020
	(Percent)	(Percent)				
TRR-Kerry Development Company Limited	42.67	42.67	113,646	62,361	6,446	1,223

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)

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

Summarised information about comprehensive income

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

Summarised information about cash flow

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

12. Investments in associates

12.1 Details of associates:

(Unit: Thousand Baht)

			Consolidated financial statements							
Company's name	Nature of business	Country of incorporation	Paid-up capital as at 31 December		Shareholding percentage		Cost		Carrying amounts based on equity method	
			2021	2020	2021 (Percent)	2020 (Percent)	2021	2020	2021	2020
Associated companies (owned by Zukerman Limited)										
Traders Yangon Company Limited	Hotel	Myanmar	USD 3.6 million	USD 3.6 million	23.53	23.53	29,880	26,856	-	-
Shangri-La Yangon Company Limited	Serviced apartments	Myanmar	USD 2.0 million	USD 2.0 million	22.22	22.22	17,669	15,881	-	-
Traders Square Company Limited	Commercial complex and office for rent	Myanmar	USD 0.1 million	USD 0.1 million	23.56	23.56	705	633	-	-
Total							48,254	43,370	-	-

12.2 Summarised financial information of associates

The financial information of these associated companies for the years ended 31 December 2021 and 2020, which was included in the consolidated financial statements, was prepared by the associates' management. However, the Company's management believes that there would have been no significant difference to financial information if those financial information had been audited by auditors.

Financial information of the associated companies is summarised below.

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

12.3 The reconciliation of interests in associates

Since 2020, the Group's management decided to change the objective of the long-term loans to these three associated companies. Given the situation with the Coronavirus disease 2019 pandemic, no plans have been set for collection of these long-term loans for the foreseeable future, and the long-term loans were, therefore, deemed in substance to form part of the interests in associates.

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2020			
	Traders Yangon Company Limited	Shangri-La Yangon Company Limited	Traders Square Company Limited	Total
Interests in associates				
Net assets/ (liabilities) of associates	(2,027,183)	(486,941)	(500,949)	(3,015,073)
Shareholding percentage (Percent)	23.53%	22.22%	23.56%	
The Group's interests in associates	(476,996)	(108,198)	(118,024)	(703,218)
Investments in associates				
Ordinary shares, at cost	26,856	15,881	633	43,370
Less: Cumulative share of losses from investments in associates	(26,856)	(15,881)	(633)	(43,370)
Total	-	-	-	-
Long-term loans to and interest receivables from related parties (Note 6)				
Long-term loans to and interest receivables from related parties	488,827	711,915	779,292	1,980,034
Less: Impairment losses on financial assets	(488,827)	-	(124,021)	(612,848)
Total - net	-	711,915	655,271	1,367,186
Less: Share of losses from investments in associates	-	(92,317)	(117,391)	(209,708)
Total long-term loans to and interest receivables from related parties - net	-	619,598	537,880	1,157,478
Unrecognised cumulative share of losses from investments in associates	(450,140)	-	-	(450,140)

13. Property, plant and equipment

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

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

14. Trade and other payables

(Unit: Thousand Baht)

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

15. Other current liabilities

(Unit: Thousand Baht)

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

16. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

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

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

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

Key actuarial assumptions used for the valuation are as follows:

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

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

(Unit: Million Baht)

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

17. Statutory reserve

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

18. Finance income/Finance cost

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

(Unit: Thousand Baht)

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

19. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

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

20. Income tax

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

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

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

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

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

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

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

21. Earnings per share

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

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

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

22. Segment information

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

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

(1) Hotel business
(2) Holding investment

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

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

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

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

(Unit: Million Baht)

	Hotel business											
	Hotel in Bangkok		Hotel in Chiangmai		Holding Investment		Total segments		Adjustments and eliminations		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenues												
External customers	258	505	77	147	-	-	335	652	-	-	335	652
Total revenues	258	505	77	147	-	-	335	652	-	-	335	652
Operating results												
Segment gross profit	63	194	20	63	-	-	83	257	-	-	83	257
Other income	8	6	1	2	12	3	21	11	-	-	21	11
Depreciation and amortisation expenses	(121)	(138)	(81)	(85)	-	-	(202)	(223)	-	-	(202)	(223)
Exchange gains (losses)	-	-	-	-	25	(24)	25	(24)	(51)	2	(26)	(22)
Reversal (allowance) for expected credit losses of trade receivables	1	(4)	-	-	-	-	1	(4)	-	-	1	(4)
Impairment losses on financial assets	-	-	-	-	(158)	(469)	(158)	(469)	-	-	(158)	(469)
Share of losses from investments in associates	-	-	-	-	(28)	(218)	(28)	(218)	-	-	(28)	(218)
Finance income	6	20	-	-	23	33	29	53	-	(2)	29	51
Finance cost	(51)	-	-	-	-	-	(51)	-	51	-	-	-
Loss before income tax	(316)	(243)	(138)	(138)	(128)	(677)	(582)	(1,058)	-	-	(582)	(1,058)
Income tax benefits (expenses)	65	54	28	32	3	(10)	96	76	-	-	96	76
Loss for the year	(251)	(189)	(110)	(106)	(125)	(687)	(486)	(982)	-	-	(486)	(982)
Segment total assets	4,196	4,436	477	529	2,904	2,714	7,577	7,679	-	-	7,577	7,679

Major customers

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

23. Provident fund

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

24. Dividends

Dividends	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Final interim dividends for 2019	The Board of Directors' Meeting on 29 April 2020	292.5	2.25
Total dividends for 2020		292.5	2.25

25. Commitments and contingent liabilities

25.1 Capital commitments

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

25.2 Guarantees

(1) As at 31 December 2021, there were outstanding bank guarantees of approximately Baht 11 million (2020: Baht 12 million) issued by a bank on behalf of the Company in respect of electricity usage.

(2) As at 31 December 2021 and 2020, the Company entered into the Counter Indemnity Agreement with the parent company to indemnity the contingent liability relating to loan facilities of its two associated companies, i.e. Traders Yangon Company Limited and Shangri-La Yangon Company Limited, in proportion to the subsidiary's shareholding not exceeding USD 11.77 million and USD 6.67 million, respectively.

26. Fair value hierarchy

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

(Unit: Million Baht)

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

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVOCI				
Listed equity instruments	281	-	-	281
Non-listed equity instruments	-	-	131	131

Valuation techniques and inputs to Level 3 valuation

The fair value of investment in equity instruments of non-listed company has been determined by analysis and considering change in the invested companies' financial position and operation performance, including other several factors.

However, for the current year, non-listed equity instruments (Don Muang Tollway Public Company Limited) is listed in the Stock Exchange of Thailand, with trading permitted from 7 May 2021. Therefore, the Company has changed the method and the assumption for measurement of this financial instruments and there was transfer within the fair value hierarchy from level 3 to level 1.

27. Financial instruments

27.1 Financial risk management objectives and policies

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

Credit risk

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

Trade and other receivables

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

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

Cash deposits

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

Long-term loans to and interest receivables from related parties

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

Market risk

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

Foreign currency risk

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

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

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

Foreign currency sensitivity

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Impact to profit before tax				
THB against USD				
- Increase 5 %	63,476	64,850	(25,195)	(22,655)
- Decrease 5 %	(63,476)	(64,850)	25,195	22,655

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

Interest rate risk

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

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

(Unit: Million Baht)

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

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2020						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
							(% per annum)
Financial assets							
Cash and cash equivalents	395	-	-	731	37	1,163	0.10 - 0.50
Fixed deposits with financial institutions	1,153	-	-	-	-	1,153	0.60 - 1.50
Trade and other receivables	-	-	-	-	18	18	-
Long-term loans to and interest receivables from related parties	-	-	907	-	250	1,157	USD LIBOR and 0.92 to 2.05
	1,548	-	907	731	305	3,491	
Financial liabilities							
Trade and other payables	-	-	-	-	98	98	-
	-	-	-	-	98	98	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2021						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				
							(% per annum)
Financial assets							
Cash and cash equivalents	25	-	-	13	15	53	0.13 - 0.30
Fixed deposits with financial institutions	935	-	-	-	-	935	0.45 - 0.70
Trade and other receivables	-	-	-	-	28	28	-
	960	-	-	13	43	1,016	
Financial liabilities							
Trade and other payables	-	-	-	-	99	99	-
Short-term loan from related party	-	-	-	-	504	504	-
	-	-	-	-	603	603	

(Unit: Million Baht)

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

Interest rate sensitivity

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

Liquidity risk

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

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

(Unit: Million Baht)

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

27.2 Fair values of financial instruments

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

28. Capital management

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

29. Approval of financial statements

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

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	Educational History	Current position in other company		Attending director training program organized by Thai Institute of Directors Association
					Period, Position and Company name	Type of Business	
1. Mr. Maris Pakdeetaveevivat	78	0.0077%	None	- Technical College, Hong Kong	- Nov 1991 - Present Director Kerry Trading Company Limited - Sep 2008 - Present Director, Kerry Mining (Hong Kong) Limited	- Investments Holding - Gold / Coal Trading Business	-
2. Mr. Chan Kong Leong	49	-	None	- Bachelor's Degree in Building, National University of Singapore - Charter holder - Chartered Financial Analyst	- Jan 2019 - Present Regional Chief Executive Officer Southeast Asia & Australasia of Shangri-La Group	- Investment Holding	-
3. Mr. Lee Hui Yeow	48	-	None	- Bachelor of Accounting with First Class Honors (Hons) (1993-1996), University of Wales College of Cardiff, United Kingdom - Charter holder - Chartered Financial Analyst	- Sep 2018 - Present Senior Vice President, Finance Southeast Asia & Australasia of Shangri-La Group	- Investment Holding	-

- Board of Directors (Continued)

Name of Director	Age (Years)	% of shareholding in the Company	Family relationship between Director and Management	Educational History	Current position in other company		Attending director training program organized by Thai Institute of Directors Association
					Period, Position and Company name	Type of Business	
4. Mrs. Chanida Asdathorn	80	0.09%	Sister in law to Mr. Somkiat Asdathorn and Mr. Surin Asdathorn	- Bachelor's Degree in Business Administration, Pasadana College, California, U.S.A	- 1984 - Present Managing Director Siam Sugar Export Corporation Ltd. - 1988 - Jul 2017 and Dec 2018 - Present Director FIne Metal Technologies Public Company Limited	- Sugar Exporter - Manufacture and distribute various types of copper tube to the manufacturers of air-conditioners and refrigerators	Directors Accreditation Program (DAP) (March 2006)
5. Mr. Somkiat Asadathorn	88	0.89%	Mr. Surin's brother	- High School	- Present President Baanrai Sugar Industry Co., Ltd.	- Sugar Manufacturing	Directors Accreditation Program (DAP) (April 2007)
6. Mr. Surin Asdathorn	80	2.67%	Mr. Somkiat's brother	- Bachelor of Art Degree in Political Science, Ramkhamhaeng University	- Present Chief Executive Officer Thai Roong Ruang Sugar Group	- Sugar Manufacturing	-
7. Mrs. Pavinee Meensuk	64	-	None	- Bachelor's Degree in Accounting, Thammasat University - Bachelor's Degree in Law, Thammasat University	- 2005 - Present General Manager Kerry (Thailand) Co., Ltd. - 1990 - Present Director Kerry Siam Seaport Limited	- Trading - Seaport & Warehouses Operator	Directors Accredita-tion Program (DAP) (December 2004)

- Board of Directors (Continued)

Name of Director	Age (Years)	% of shareholding in the Company	Family relationship between Director and Management	Educational History	Current position in other company		Attending director training program organized by Thai Institute of Directors Association
					Period, Position and Company name	Type of Business	
8. Mr. Kovit Poshyananda	87	-	None	- B.A. (Honours), Cambridge University - M.A. (Economics), Cornell University - Ph.D. (Economics), Cornell University - Doctor of Philosophy (honoris causa), Chulalongkorn University	- Present Honorary Chairman Sansiri Public Company Limited - Present Independent Director and Chairman of the Nomination and Remuneration Committee Bangkok Bank Public Company Limited	- Property Development - Banking	Directors Accreditation Program (DAP) (2003)
9. Mr. Jayavadh Bunnag	78	-	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	- 1987 - Present Managing Director ILCT Ltd.	- Legal Advisory	Directors Accreditation Program (DAP) (2006)
10. Mr. Kledchai Benjaathonsirikul	67	0.0004%	None	- Bachelor's Degree in Law, University of Birmingham, England	- 2000 - Present Director Kerry Siam Seaport Limited - 2019 - Present Chairman Kerry Express (Thailand) Public	- Seaport & Warehouses Operator - Express delivery business	Directors Accreditation Program (DAP)

- Board of Directors (Continued)

Name of Director	Age (Years)	% of shareholding in the Company	Family relationship between Director and Management	Educational History	Current position in other company		Attending director training program organized by Thai Institute of Directors Association
					Period, Position and Company name	Type of Business	
11. Mr. Chor.nun Petpaisit	70	-	None	- Bachelor's Degree in Accounting, Thammasat University, Thailand	- 27 Feb 2009 - Present Director of the Audit Committee Bangkok Insurance Public Company Limited - 28 Feb 2006 - Present and 3 April 2002 - 17 Nov 2004 Independent Director Bangkok Insurance Public Company Limited - Apr 2015 - Present Independent Director and Director of the Audit Committee Interhides Public Company Limited - Apr 2019 - Present Independent Director and Director of the Audit Committee Fine Metal Technologies Public Company Limited.	- Insurance - Insurance - Producing and distributing leather covering for car seats and other related products - Manufacture and distribute various types of copper tube to the manufacturers of air-conditioners and refrigerators	- Financial Institutions Governance Program (FGP) Class 4/2012 - Successful Formulation & Execution of Strategy (SFE) Class 8/2010 - Audit Committee Program (ACP) Class 28/2009 - Director Certification Program (DCP) Class 76/2006 - Director Accreditation Program (DAP) Class 28/2004

- Executives

- Shangri-La Hotel, Bangkok

Name	Age (Years)	% of shareholding in the Company	Family relationship between Director and Management	Educational History	Working Experience	
					Period	Position and Company name
1. Mrs. Yue Toy Hang General Manager	58	-	-	- Diploma of Civil Engineering, Federal Institute of Technology, Malaysia	Sep 2015 – Oct 2021 Nov 2011 – Aug 2015	- General Manager Shangri-La Rasa Sayang Resort & Spa, Penang & Golden Sands Resort, Penang - General Manager Shangri-La Rasa Sayang Resort & Spa, Penang
2. Ms. Nipa Smanote Area Financial Controller (The person who has been assigned the highest responsibility in the Company's accounting and finance department)	63	-	-	- Bachelor's Degree in Accounting, University of The Thai Chamber of Commerce, Thailand	Jun 2005 – May 2012	Financial Controller Shangri-La Hotel, Bangkok, Thailand
3. Ms. Chung Mei Cheen Director of Sales & Marketing	56	-	-	- Convent Green Lane Secondary, Malaysia	Dec 2016 – Mar 2018 Jun 2016 – Nov 2016	- Area Director of Sales & Marketing Shangri-La Hotel, Bangkok, Thailand - Cluster Director of Sales & Marketing (Novotel Phuket Karon/ Novotel Phuket Surin/Ibis Koh Samui), Thailand

- Executives (Continued)

- Shangri-La Hotel, Bangkok

Name	Age (Years)	% of shareholding in the Company	Family relationship between Director and Management	Educational History	Working Experience	
					Period	Position and Company name
4. Mr. Woon Swee Tong Director of Engineering	60	-	-	- Electrical, Federal Institute of Technology	Jul 2011 – Mar 2014 Apr 2010 – May 2011	- Project Manager Goodland Limited, Macau - Director of Engineering Shangri-La Hotel, Jakarta, Indonesia
5. Ms. Paphun Chotigasupa Director of Human Resources	58	-	-	- Master of Science in Educational, Emporia University, USA	Jul 2015 – Sep 2017 Jan 2011 – Jun 2015	- Director of Human Resources / Area Training Manager Shangri-La Hotel, Bangkok, Thailand - Area Director of Training & Quality Improvement Shangri-La Hotel, Bangkok, Thailand
6. Mr. Sambhangi Raja Phani Madhav Director of Rooms	43	-	-	- Bachelor of Arts from Delhi University - Diploma E-commerce in Computers from NIIT, New Delhi	Oct 2017 – May 2018 Dec 2015 – Oct 2017	- Director of Rooms Four Seasons Hotel Mumbai, India - Director of Rooms Shangri-La Hotel, Bengaluru, India

Remarks : Mr. Jose Luis Duran Sanles (Executive Assistant Manager of Food & Beverage) resigned on 15/02/2022.

- Executives (Continued)

- Shangri-La Hotel, Chiang Mai

Name	Age (Years)	% of shareholding in the Company	Family relationship between Director and Management	Educational History	Working Experience	
					Period	Position and Company name
1. Mr. Gabriele Lombardo General Manager	49	-	-	- Bachelor Degree in Hospitality Sciences, Ecole Hoteliere de Lausanne, Switzerland	May 2015 - Feb 2017 Jan 2015 - May 2015 Oct 2014 - Jan 2015	- General Manager Shangri-La's Le Touessrok Resort & Spa, Mauritius - Secondment to Corporate Office on Social Project Assignment Shangri-La International Hotel Management Limited - Secondment to Shangri-La's Villingli Resort & Spa, Maldives as Stand-in General Manager Shangri-La's Villingli Resort & Spa, Maldives
2. Ms. Wiyada Sornprapha Director of Sales and Marketing	52	-	-	- Master of Business Administration - Marketing, University of New Haven, United States of America	Jul 2013 - Dec 2013 Dec 2011 - Jun 2013	- Director of Sales Shangri-La Hotel, Chiang Mai, Thailand - Director of Conventions & Incentive Sales Thailand Shangri-La Hotel, Bangkok, Thailand
3. Ms. Sukanya Jittanan Director of Human Resources	45	-	-	- Bachelor of Laws Chiang Mai University	Jan 2016 - Jun 2019 Apr 2011 - Jan 2016	- Director of Human Resources Park Hyatt, Bangkok, Thailand - Human Resources Manager Four Seasons Resort, Chiang Mai, Thailand

- Executives (Continued)

- Shangri-La Hotel, Chiang Mai

Name	Age (Years)	% of shareholding in the Company	Family relationship between Director and Management	Educational History	Working Experience	
					Period	Position and Company name
4. Mr. Eshank Sharma Financial Controller	35	- -	- -	- Chartered Accountancy Institute of Chartered Accountants of India	Jul 2017 - Jul 2019 Apr 2016 - Jul 2017	- Assistant Financial Controller Shangri-La Hotel, Jakarta, Indonesia - Assistant Financial Controller Shangri-La Hotel, Chiang Mai, Thailand
5. Mr. Chalerm Proka Chief Engineer	54			- Bachelor of Engineering, Rajamangala University of Technology	Aug 2017 – Nov 2019 Mar 2015 - Aug 2017	- Chief Engineer 137 Pillar House, Chiang Mai, Thailand - Chief Engineer Anantara Resort, Chiang Mai, Thailand
6. Mr. Gian Yosuke Sommerau Director of Food and Beverages	31	-	-	- Bachelor in Business Admin (BBA) in Hospitality Management, Glion	Nov 2020 - Jan 2022 Jul 2019 - Nov 2020	- Assistant Director of Food and Beverages Shangri-La Hotel, Chiangmai, Thailand - Food and Beverages Manager Shangri-La Hotel, Bangkok, Thailand

- Company Secretary

Name	Age (Years)	% of shareholding in the Company	Family relationship between Director and Management	Educational History	Working Experience	
					Period	Position and Company name
1. Ms. Nongthanus Tansavatdi	46	-	-	- 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	Apr 2015 - Jan 2020	- Vice President Head of Contracts and Commercial Department Total Access Communication Public Company Limited

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. Chan Kong Leong	//	//	//	//	//			//	//	//
3. Mr. Lee Hui Yeow	//			//	//			//	//	//
4. Mrs. Chanida Asdathorn	//	//				//	//			
5. Mr. Somkiat Asdathorn	//	//					//			
6. Mr. Surin Asdathorn	//						//			
7. Mrs. Pavinee Meensuk	//	//			//	//	//			
8. Mr. Kovit Poshyananda	/									
9. Mr. Jayavadh Bunnag	/									
10. Mr. Kledchai Benjaathonsirikul	/									
11. Mr. Chornun Petpaisit	/									

Remarks : / = Director

// = Executive Director

X = Chairman

- Mr. Pong Sarasin (Chaiman of the Board of Directors) passed away on 03/02/2021.
- Mr. Suvat Asdathorn (Vice Chaiman of the Board of Directors) passed away on 11/12/2021.

Attachment 3

Details of the Internal Audit and Compliance Units

Name	Age (Years)	% of shareholding in the Company	Family relationship between Director and Management	Educational History	Working experience		Attending Internal Audit training program
					Period	Company and Position	
Ms. Pastharee Theerajittiwong (Internal Audit Manager)	28	-	-	- Bachelor of Accounting Thammasat University	May 2015 - June 2018 Sep 2018 - Jan 2022	- Senior Assurance EY Company Limited - Corporate Account Supervisor Shangri-La Hotel Public Company Limited	-

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

Miss Pastharee Theerajittiwong has been appointed as the new Internal Audit Manager on 1 February 2022 to replace Miss Maneerat Mangkorn.

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 Undertaking and Detail of Asset Appraisal

- Assets used in business undertaking

The Company has assets used in business undertaking as per details appeared in this report under the section "Assets Used in Business Undertaking".

- Asset Appraisal

None

Attachment 5

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

SHANGRI-LA GROUP
CODE OF CONDUCT AND ETHICS
Effective as of 2 September 2019

1. INTRODUCTION

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

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

2. COMPLIANCE WITH THIS CODE AND THE LAW

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

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

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

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

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

3. LEADERSHIP RESPONSIBILITIES

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

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

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

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

4. EQUAL OPPORTUNITY AND RESPECT

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

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

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

5. PROTECTING GROUP ASSETS

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

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

6. FULL DEDICATION TO GROUP MATTERS

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

7. CONFLICT OF INTEREST

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

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

Personal Interest

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

Outside Employment

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

Outside Directorship

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

a) seek prior approval from the Human Resources Department before accepting any directorship of any of the following :
   (i) any public company outside the Group;
   (ii) any company outside the Group that carries on businesses similar to those of the Group;
   (iii) any company outside the Group who is the supplier, customer, consultant and/or contractor of the Group, or who is seeking to do business with the Group (collectively, "Suppliers"); or
   (iv) any other company outside the Group in which the acceptance of such directorship may conflict, or appear to conflict, with the interests of the Group; and
b) declare their directorships in any other company outside the Group, in accordance with the Group's Outside Directorship Policy.

Improper Personal Benefits

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

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

Dealing with Suppliers

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

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

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

Dealing with Relatives

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

8. PREVENTING BRIBERY AND CORRUPTION

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

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

Employees must :

(a) decline any advantage offered to them if the offer may compromise, or appear to compromise, their ability to make object and fair business decisions in the interests of the Group. Please see "Gifts and Entertainment" below for further guidelines in this area;
(b) not solicit or accept, either for themselves or any other person, any form of advantage in connection with the performance of their duties for the Group;
(c) not offer any advantage to any person or company to improperly influence such person or company in obtaining or retaining business for, or directing business to the Group;
(d) not use any of the funds, assets, services or facilities of the Group or that of any of its places of business, hotels or properties to improperly influence or corrupt the action of government officials, regulators, agents or employees of any other company; and

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

9. GIFTS AND ENTERTAINMENT

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

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

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

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

10. PROTECTING CONFIDENTIAL INFORMATION

Employees are obliged to maintain and protect the confidentiality of all non-public information relating to the Group's affairs including (but not limited to) proprietary information, trade secrets, intellectual properties, brand standards, training manuals, operating manuals, data processing systems, programs, databases, data, sales and marketing information, rates and pricing, business plans, financial information, personnel information, shareholder information, work products and correspondences ("Confidential Information").

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

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

11. PRIVACY AND DATA PROTECTION

Employees must protect the privacy and confidentiality of personal data of colleagues, guests, customers and service providers by ensuring that such data is secure at all times and not used or disclosed without the proper authorization of the Group. Personal data includes any data which identifies an

individual such as names, addresses, identity card or passport details, credit card details, telephone numbers, email addresses, personal identification numbers, employment records, health information or location data. Employees must ensure that the collection, storage, transfer, disclosure or use of any such personal data is in accordance with the Group's Policies and the applicable data protection laws and regulations. Employees must familiarize themselves with the Group's Policies on privacy and data protection and report any actual or suspected privacy or security breaches to the Data Protection Officer immediately. Employees can contact the Data Protection Officer by email at dataprotectionofficer @shangri-la.com for any questions or guidance on the handling of personal data.

12. INSIDER DEALING

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

13. ANTI-COMPETITIVE PRACTICES

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

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

14. MAINTAINING PROPER BOOKS AND RECORDS

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

15. HEALTH AND SAFETY

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

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

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

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

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

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

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

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

16. PROTECTING THE GROUP'S NAME

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

17. CORPORATE SOCIAL RESPONSIBILITY

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

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

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

18. EXTERNAL COMMUNICATIONS

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

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

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

19. ANTI-MONEY LAUNDERING

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

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

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

20. SLAVERY AND HUMAN TRAFFICKING

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

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

21. POLITICAL INVOLVEMENT

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

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

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

22. WHISTLEBLOWING POLICY

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

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

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

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

23. INTERPRETATION OF THIS CODE AND COMMENTS

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

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

Attachment 6

Report of the Audit Committee

The Audit Committee of Shangri-La Hotel Public Company Limited comprises three Independent Directors: Mr. Kovit Poshyananda as Chairman of the Audit Committee, Mr. Jayavadh Bunnag and Mr. Kledchai Benjaathonsirikul as Committee Members. During the year 2021, the Audit Committee meetings were arranged four times.

The Audit Committee performed activities within the scope of its Charter as assigned by the Board of Directors for the year 2021 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 2021 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 21 February, 2022, the Audit Committee also reviewed the financial statements of the Company for the year ended 31 December 2021 prior to recommending them to the Board of Directors for approval.

Mr. Kovit Poshyananda
Chairman of the Audit Committee
21 February 2022

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