

To : Managing Director
The Stock Exchange of Thailand

Date : 8 December, 2022

Re : Resolution of Board Meeting regarding disclosure of a connected transaction

The Board of Directors of Shangri-La Hotel Public Company Limited (the “Company”) would like to inform you of a resolution passed at its Board of Directors’ Meeting No. 6/2022 held on 8 December, 2022 that the entering into the proportionate shareholders’ loan agreement by Zukerman Limited, a wholly-owned subsidiary of the Company through holding of shares by Apizaco Limited, a Company’s wholly-owned subsidiary, with Traders Yangon Company Limited (“THYN”) granting a proportionate shareholders’ loan to THYN be approved.

The mentioned transaction constitutes a connected transaction of the Company pursuant to the “Notification of the Capital Market Supervisory Board No. TorChor. 21/2008 Re: Rules on Connected Transactions” and “Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, A.D. 2003”. The Board of the Company hereby discloses the Information Memorandum in respect of the said connected transaction for your information.

Yours faithfully,

Mrs. Pavinee Meensuk
Director

Shangri-La Hotel Public Company Limited
Registration No. 0107537001773
Information Memorandum Regarding the Connected Party Transaction

1. The transaction and parties involved:

The Company's Board of Directors meeting resolved at its meeting No. 6/2022 held on 8 December 2022, approving Zukerman Limited ("Zukerman"), a wholly-owned subsidiary of the Company through holding of shares by Apizaco Limited ("Apizaco"), a Company's wholly-owned subsidiary, to enter into a Shareholders' Loan Agreement with Traders Yangon Company Limited ("THYN") granting a proportionate shareholders' loan to THYN.

2. Purpose of the proportionate shareholders' loan:

The proportionate shareholders' loan granted to THYN is for the purpose of meeting its funding requirements for loan repayments and working capital.

3. Total value of the transaction:

Zukerman holds a 23.53% interest in THYN. The total amount of the loan in proportion to Zukerman's shareholding interest in THYN is USD 3.51 million which is equivalent to approximately Baht 131.63 million and represents approximately 1.86% of the Company's Net Tangible Asset Value as at 30 September, 2022 (the Net Tangible Asset Value of the Company as at 30 September, 2022 was Baht 7,060.08 million). The said loan will be called by THYN from time to time and will carry interest at the rate of 5.5% per annum calculated from the Drawdown Date up to the Repayment Date. The Repayment Date shall in no case be no longer than 5 years from the relevant Drawdown Date, provided that THYN shall use its best effort to find other financing alternatives to repay the loan to all shareholders as soon as practicable.

The Company has not entered into the similar agreement with THYN for the past six months, therefore, the total value of the connected transaction is equivalent to approximately 1.86% of the Company's NTA as at 30 September, 2022. The mentioned transaction constitutes a connected transaction of the Company pursuant to the "Notification of the Capital Market Supervisory Board No. TorChor. 21/2008 Re: Rules on Connected Transactions" and "Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, A.D. 2003" in the category of granting proportionate financial assistance transaction. Accordingly, the Company is required to seek approval from Board of Directors and disclose the transaction to the Stock Exchange of Thailand, but exempted from requesting for an approval from the Shareholders' Meeting for that transaction as long as the Loan is granted in proportion with the Lender's percentage shareholding interest in the Borrower and the terms are justified as normal trading conditions.

4. Relationship of the related parties with the Company or its subsidiaries:

The Company is a 73.61% indirectly owned subsidiary of Shangri-La Asia Limited ("SA") through its subsidiaries. Shangri-La Hotels (Malaysia) Berhad ("SLM") which is a 52.78% indirectly owned subsidiary of SA, holds a shareholding interest of 23.53% in THYN through its wholly-owned subsidiary and is therefore connected persons of the Company according to the "Notification of the Capital Market Supervisory Board No. TorChor. 21/2008 Re: Rules on Connected Transactions" and "Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, A.D. 2003".

Furthermore, Mr. Maris Pakdeetaveevivat, who is a director of the Company, is also a director of Apizaco. Mr. Chan Kong Leong, who is a director of the Company, is also a director of SLM, Apizaco, Zukerman and THYN. Mr. Lee Hui Yeow, who is a director of the Company, is also a director of Zukerman and THYN.

5. Opinion of the Board of Directors of the Company:

The following directors of the Company did not participate in the voting for the approval of the said transaction:

1. Mr. Maris Pakdeetaveevivat (a common director of the Company and Apizaco);
2. Mr. Chan Kong Leong (a common director of the Company, SLM, Apizaco, Zukerman, and THYN);
3. Mr. Lee Hui Yeow (a common director of the Company, Zukerman and THYN).

The Company's Audit Committee meeting and the Board of Directors meeting including the independent directors have considered the matter and are of the view that the terms and conditions of the Shareholders' Loan Agreement including interest rate of the loan are justified as normal trading conditions and in the interest of the Company and its shareholders as a whole.