



SHANGRI-LA ASIA LIMITED

(incorporated in Bermuda with limited liability)

香格里拉(亞洲)有限公司

Exemption File No.
82-5006

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2010 AUG 12 P 1:06

OFFICE OF INTERNATIONAL
CORPORATE FINANCE



10 August 2010

Securities and Exchange Commission
Office of International Corporate Finance
450 Fifth Street, N.W.
Washington, DC 20549
U.S.A.

BY COURIER

SUPPL

Dear Sirs,

Re: Exemption File No. 82-5006
- Submission of documents required by Rule 12g3-2(b)

Pursuant to Rule 12g3-2(b) of the Securities Exchange Act of 1934, we enclose a copy of our Company's announcement which we released to The Stock Exchange of Hong Kong Limited ("HKSE") on 9 August 2010 for publication on the website of HKSE for your records.

Yours faithfully,
For and on behalf of
SHANGRI-LA ASIA LIMITED

Dora Chow
Assistant Company Secretary

Encl.



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SHANGRI-LA ASIA LIMITED

(Incorporated in Bermuda with limited liability)

香格里拉(亞洲)有限公司*

website: www.ir.shangri-la.com

(Stock Code: 00069)

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REGISTRATION DEPARTMENT

OVERSEAS REGULATORY ANNOUNCEMENT

Shangri-La Hotel Public Company Limited (“SHPC”) is a company listed on the Stock Exchange of Thailand (“SET”) and a 73.61% owned subsidiary of Shangri-La Asia Limited. SHPC released to SET an announcement (the “Announcement”) today. The following is a reproduction of the Announcement as required by the Note to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

Executive Directors

Mr. Kuok Khoon Ean
Mr. Lui Man Shing
Mr. Madhu Rama Chandra Rao
Mr. Gregory Allan Dogan

Non-Executive Directors

Mr. Ho Kian Guan
Mr. Kuok Khoon Loong, Edward
Mr. Roberto V. Ongpin
Mr. Ho Kian Hock (*alternate to Mr. Ho Kian Guan*)

Independent Non-Executive Directors

Mr. Alexander Reid Hamilton
Mr. Timothy David Dattels
Mr. Wong Kai Man, BBS, JP
Mr. Michael Wing-Nin Chiu

Hong Kong, 9 August 2010

* For identification purpose only

SHANGRI-LA HOTEL PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS
(UNAUDITED)**

30 JUNE 2010

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders and the Board of Directors of Shangri-La Hotel Public Company Limited

I have reviewed the accompanying consolidated and company balance sheets of Shangri-La Hotel Public Company Limited and its subsidiaries and of Shangri-La Hotel Public Company Limited as at 30 June 2010, and the related consolidated and company statements of income for the three-month and six-month periods ended 30 June 2010, changes in shareholders' equity and cash flows for the six-month period ended 30 June 2010. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to issue a report on these interim financial statements based on my review. The interim consolidated and company financial statements of Shangri-La Hotel Public Company Limited and its subsidiaries and of Shangri-La Hotel Public Company Limited for the three-month and six-month periods ended 30 June 2009 were reviewed by the other auditor, whose report dated 11 August 2009 stated that nothing had come to her attention that caused her to believe that the interim consolidated and company financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles. The consolidated and company statements of income for the three-month and six-month periods ended 30 June 2009, changes in shareholders' equity and cash flows for the six-month period ended 30 June 2009, presented herewith for comparative purposes, are components of the aforementioned interim consolidated and company financial statements.

I conducted my review in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform a review to obtain moderate assurance as to whether the interim consolidated and company financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.

Based on my review, nothing has come to my attention that causes me to believe that the interim consolidated and company financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

The consolidated and company financial statements of Shangri-La Hotel Public Company Limited and its subsidiaries and of Shangri-La Hotel Public Company Limited for the year ended 31 December 2009 were audited by the other auditor and her report dated 22 February 2010 expressed an unqualified opinion on those statements. The consolidated and company balance sheets as at 31 December 2009, presented herewith for comparative purposes, are part of the consolidated and company financial statements audited by the other auditor which a report was issued as stated above and I have not performed any other auditing procedures subsequent to the date of that report.

Chanchai Chaiprasit
Certified Public Accountant (Thailand) No. 3760
PricewaterhouseCoopers ABAS Limited

Bangkok
9 August 2010

Shangri-La Hotel Public Company Limited
Balance Sheets
As at 30 June 2010 and 31 December 2009

	Notes	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
		2010	2009	2010	2009
		Baht'000	Baht'000	Baht'000	Baht'000
Assets					
Current assets					
Cash and cash equivalents		355,412	663,880	287,719	587,693
Short-term investments		-	150	-	-
Trade accounts receivable - net	6	59,571	102,756	59,571	102,756
Other receivable - related party	12	-	9,330	-	9,330
Inventories - net		33,604	36,840	33,604	36,840
Other current assets		39,047	35,104	38,263	35,061
Total current assets		487,634	848,060	419,157	771,680
Non-current assets					
Long-term loans to and accrued interest					
from related parties - net	12	479,702	481,415	-	-
Investments in subsidiaries - net	7	-	-	1,296,600	1,296,600
Investments in associates	8	-	-	-	-
Other long-term investments					
Investments in related parties	9	1,043,220	1,075,612	-	-
Investment in other company - net	10	119,372	119,372	-	-
Investment in available-for-sale					
security	11	38,125	51,196	38,125	51,196
Property and equipment - net	13	3,972,875	3,868,509	3,971,021	3,866,655
Intangible assets - net		4,531	6,999	4,531	6,999
Deferred tax assets		119,655	97,448	119,655	97,448
Deposits		16,391	34,916	16,391	34,916
Total non-current assets		5,793,871	5,735,467	5,446,323	5,353,814
Total assets		6,281,505	6,583,527	5,865,480	6,125,494

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

Shangri-La Hotel Public Company Limited
Balance Sheets (continued)
As at 30 June 2010 and 31 December 2009

	Note	Consolidated		Company	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		30 June	31 December	30 June	31 December
		2010	2009	2010	2009
		Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable		50,995	87,694	50,995	87,694
Amounts due to related parties	12	20,204	26,175	20,204	26,175
Short term loan from a related party	12	488,796	498,600	488,796	498,600
Retention payable		51,625	52,281	51,625	52,281
Other accounts payable		15,931	39,435	15,931	39,435
Accrued expenses		67,923	72,110	67,291	71,494
Other current liabilities		76,348	110,967	74,501	102,207
Total current liabilities		771,822	887,262	769,343	877,886
Non-current liabilities					
Long-term loan from a bank		200,000	200,000	200,000	200,000
Interest payable to minority shareholders of subsidiaries		63,415	66,274	-	-
Rental deposits		14,220	12,790	14,220	12,790
Total non-current liabilities		277,635	279,064	214,220	212,790
Total liabilities		1,049,457	1,166,326	983,563	1,090,676

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

Shangri-La Hotel Public Company Limited

Balance Sheets (continued)

As at 30 June 2010 and 31 December 2009

	Consolidated		Company	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 June	31 December	30 June	31 December
	2010	2009	2010	2009
	Baht'000	Baht'000	Baht'000	Baht'000
Shareholders' equity				
Share capital				
Registered share capital				
130,000,000 ordinary shares				
of Baht 10 each	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,300,000</u>
Issued and fully paid up				
130,000,000 ordinary shares				
of Baht 10 each	1,300,000	1,300,000	1,300,000	1,300,000
Premium on share capital	1,590,400	1,590,400	1,590,400	1,590,400
Fair value reserve on available-for-sale securities				
Other company	(8,387)	762	(8,387)	762
Related company	299,342	310,003	-	-
Translation adjustments	717,983	754,208	-	-
Retained earnings				
Appropriated - legal reserve	130,000	130,000	130,000	130,000
Unappropriated	<u>1,202,710</u>	<u>1,331,828</u>	<u>1,869,904</u>	<u>2,013,656</u>
Total shareholders' equity	<u>5,232,048</u>	<u>5,417,201</u>	<u>4,881,917</u>	<u>5,034,818</u>
Total liabilities and shareholders' equity	<u>6,281,505</u>	<u>6,583,527</u>	<u>5,865,480</u>	<u>6,125,494</u>

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

Shangri-La Hotel Public Company Limited
Statements of Income (Unaudited)
For the three-month periods ended 30 June 2010 and 2009

	Consolidated		Company	
	2010	2009	2010	2009
	Baht'000	Baht'000	Baht'000	Baht'000
Revenues				
Room	101,597	95,441	101,597	95,441
Food and beverage	85,955	64,855	85,955	64,855
Others	21,478	20,004	21,478	20,004
Total revenues	209,030	180,300	209,030	180,300
Cost of sales and services	(92,290)	(90,476)	(92,290)	(90,476)
Gross profit	116,740	89,824	116,740	89,824
Other income	21,080	10,382	5,309	4,077
Profit before expenses	137,820	100,206	122,049	93,901
Selling expenses	(19,201)	(17,325)	(19,201)	(17,325)
Administrative expenses	(74,587)	(71,126)	(74,223)	(69,049)
Management remunerations	(12,563)	(12,142)	(12,563)	(12,142)
Depreciation and amortisation	(128,919)	(97,401)	(128,919)	(97,401)
Total expenses	(235,270)	(197,994)	(234,906)	(195,917)
Loss before finance cost and income tax	(97,450)	(97,788)	(112,857)	(102,016)
Finance cost - interest expenses	(4,923)	(190)	(4,923)	(190)
Loss before income tax	(102,373)	(97,978)	(117,780)	(102,206)
Income tax	30,810	699	31,981	792
Net loss for the period	(71,563)	(97,279)	(85,799)	(101,414)
Basic loss per share for loss attributable to the shareholders of the parent				
	Baht	Baht	Baht	Baht
Basic loss per share	(0.55)	(0.75)	(0.66)	(0.78)

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

Shangri-La Hotel Public Company Limited
Statements of Income (Unaudited)
For the six-month periods ended 30 June 2010 and 2009

	Consolidated		Company	
	2010	2009	2010	2009
	Baht'000	Baht'000	Baht'000	Baht'000
Revenues				
Room	344,938	269,198	344,938	269,198
Food and beverage	247,287	175,313	247,287	175,313
Others	53,020	46,952	53,020	46,952
Total revenues	645,245	491,463	645,245	491,463
Cost of sales and services	(229,599)	(203,301)	(229,599)	(203,301)
Gross profit	415,646	288,162	415,646	288,162
Other income	37,407	25,261	20,860	17,540
Profit before expenses	453,053	313,423	436,506	305,702
Selling expenses	(42,490)	(36,691)	(42,490)	(36,691)
Administrative expenses	(167,433)	(149,348)	(166,734)	(145,915)
Management remunerations	(25,124)	(26,164)	(25,124)	(26,164)
Depreciation and amortisation	(256,997)	(194,607)	(256,997)	(194,607)
Total expenses	(492,044)	(406,810)	(491,345)	(403,377)
Loss before finance cost				
and income tax	(38,991)	(93,387)	(54,839)	(97,675)
Finance cost - interest expenses	(9,699)	(491)	(9,699)	(491)
Loss before income tax	(48,690)	(93,878)	(64,538)	(98,166)
Income tax	17,072	(216)	18,286	-
Net loss for the period	(31,618)	(94,094)	(46,252)	(98,166)
Basic loss per share for loss				
attributable to the shareholders of				
the parent	Baht	Baht	Baht	Baht
Basic loss per share	(0.24)	(0.72)	(0.36)	(0.76)

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

Shangri-La Hotel Public Company Limited
 Statements of Changes in Shareholders' Equity (Unaudited)
 For the six-month periods ended 30 June 2010 and 2009

	Consolidated							Baht'000
	Issued and fully paid-up share capital	Premium on share capital	Fair value reserve on available-for-sale securities		Translation adjustments	Retained earnings		Total
			Other company	Related company		Appropriated	Unappropriated	
Beginning balance as at 1 January 2010	1,300,000	1,590,400	762	310,003	754,208	130,000	1,331,828	5,417,201
Fair value reserve on investments	-	-	(12,744)	(10,661)	-	-	-	(23,405)
Translation adjustments	-	-	-	-	(36,225)	-	-	(36,225)
Deferred tax of unrealised loss on investments	-	-	3,595	-	-	-	-	3,595
Net loss for the period	-	-	-	-	-	-	(31,618)	(31,618)
Dividend paid (Note 14)	-	-	-	-	-	-	(97,500)	(97,500)
Balance as at 30 June 2010	<u>1,300,000</u>	<u>1,590,400</u>	<u>(8,387)</u>	<u>299,342</u>	<u>717,983</u>	<u>130,000</u>	<u>1,202,710</u>	<u>5,232,048</u>
Beginning balance as at 1 January 2009	1,300,000	1,590,400	(457)	46,075	795,239	130,000	1,609,074	5,470,331
Fair value reserve on investments	-	-	(5,207)	120,435	-	-	-	115,228
Translation adjustments	-	-	-	-	(39,374)	-	-	(39,374)
Net loss for the period	-	-	-	-	-	-	(94,094)	(94,094)
Dividend paid (Note 14)	-	-	-	-	-	-	(130,000)	(130,000)
Balance as at 30 June 2009	<u>1,300,000</u>	<u>1,590,400</u>	<u>(5,664)</u>	<u>166,510</u>	<u>755,865</u>	<u>130,000</u>	<u>1,384,980</u>	<u>5,322,091</u>

	Company							Baht'000
	Issued and fully paid-up share capital	Premium on share capital	Fair value reserve on available-for-sale securities		Translation adjustments	Retained earnings		Total
			Other company	Related company		Appropriated	Unappropriated	
Beginning balance as at 1 January 2010	1,300,000	1,590,400	762	-	-	130,000	2,013,656	5,034,818
Fair value reserve on investments	-	-	(12,744)	-	-	-	-	(12,744)
Deferred tax of unrealised loss on investments	-	-	3,595	-	-	-	-	3,595
Net loss for the period	-	-	-	-	-	-	(46,252)	(46,252)
Dividend paid (Note 14)	-	-	-	-	-	-	(97,500)	(97,500)
Balance as at 30 June 2010	<u>1,300,000</u>	<u>1,590,400</u>	<u>(8,387)</u>	<u>-</u>	<u>-</u>	<u>130,000</u>	<u>1,869,904</u>	<u>4,881,917</u>
Beginning balance as at 1 January 2009	1,300,000	1,590,400	(457)	-	-	130,000	2,273,944	5,293,887
Fair value reserve on investments	-	-	(5,207)	-	-	-	-	(5,207)
Net loss for the period	-	-	-	-	-	-	(98,166)	(98,166)
Dividend paid (Note 14)	-	-	-	-	-	-	(130,000)	(130,000)
Balance as at 30 June 2009	<u>1,300,000</u>	<u>1,590,400</u>	<u>(5,664)</u>	<u>-</u>	<u>-</u>	<u>130,000</u>	<u>2,045,778</u>	<u>5,060,514</u>

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

Shangri-La Hotel Public Company Limited
Statements of Cash Flows (Unaudited)
For the six-month periods ended 30 June 2010 and 2009

	Consolidated		Company	
	2010 Baht'000	2009 Baht'000	2010 Baht'000	2009 Baht'000
Cash flows from operating activities:				
Net loss before tax	(48,690)	(93,878)	(64,538)	(98,166)
Adjustments for:				
Depreciation and amortisation	256,997	194,607	256,997	194,607
Doubtful accounts	285	(38)	285	(38)
Reversal of allowance for interest receivable	-	-	(3,841)	-
Reversal of loss from stock obsolescence	(306)	(230)	(306)	(230)
Gain on sales of equipment	(3,338)	(11,782)	(3,338)	(11,782)
Write-off of equipment	3,947	-	3,947	-
Loss on loans to related parties	-	2,718	-	-
Interest income	(3,927)	(6,785)	(2,371)	(3,974)
Interest expenses	9,699	491	9,699	491
Dividend income	(10,412)	(5,564)	-	(654)
Unrealised gain on exchange rate	(9,804)	-	(9,804)	-
Translation adjustments	(1,775)	(1,739)	-	-
Profit from operating activities before changes in operating assets and liabilities	192,676	77,800	186,730	80,254
Decrease (increase) in operating assets:				
Trade accounts receivable	42,900	49,033	42,900	49,033
Other receivable - related party	9,330	-	9,330	-
Inventories	3,043	3,535	3,043	3,535
Other current assets	(3,173)	(7,604)	(2,407)	(7,604)
Deposits	18,525	6,192	18,525	6,192
Increase (decrease) in operating liabilities:				
Trade accounts payable	(36,699)	(26,980)	(36,699)	(26,980)
Amount due to related parties	(5,971)	(11,569)	(5,971)	(11,569)
Retention payable	(656)	(4,832)	(656)	(4,832)
Other accounts payable	(1,302)	-	(1,302)	-
Accrued expenses and other liabilities	(39,923)	(37,867)	(31,988)	(37,975)
Rental deposits	1,430	(2,192)	1,430	(2,192)
Cash generated from operations	180,180	45,516	182,935	47,862
Interest paid	(12,471)	(491)	(9,612)	(491)
Tax paid	(1,217)	(1,511)	(1,046)	(916)
Net cash provided by operating activities	166,492	43,514	172,277	46,455

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

Shangri-La Hotel Public Company Limited
Statements of Cash Flows (unaudited) (continued)
For the six-month periods ended 30 June 2010 and 2009

	Consolidated		Company	
	2010	2009	2010	2009
	Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities:				
Decrease in short-term investments	150	413	-	-
Decrease (increase) in loans made to related parties	(9,562)	6,405	-	-
Cash received from interest income	2,753	4,887	2,621	4,583
Cash received from interest receivable from subsidiary	-	-	3,841	-
Proceeds from sales of equipment	3,886	11,874	3,886	11,874
Purchases of property and equipment and payment for construction payable	(385,099)	(291,893)	(385,099)	(291,893)
Dividend received	10,412	5,564	-	654
Net cash used in investing activities	(377,460)	(262,750)	(374,751)	(274,782)
Cash flows from financing activities				
Decrease in bank overdrafts	-	(11,232)	-	(11,232)
Dividend paid	(97,500)	(130,000)	(97,500)	(130,000)
Net cash used in financing activities	(97,500)	(141,232)	(97,500)	(141,232)
Net decrease in cash and cash equivalents				
	(308,468)	(360,468)	(299,974)	(369,559)
Cash and cash equivalents at beginning of period	663,880	739,359	587,693	649,193
Cash and cash equivalents at end of period	355,412	378,891	287,719	279,634
Non-cash transactions				
Payable from purchases of property and equipment	20,627	62,888	20,627	62,888

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

Shangri-La Hotel Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
For the six-month periods ended 30 June 2010 and 2009

1 General information

Shangri-La Hotel Public Company Limited (“the Company”) is a public limited company incorporated and resident in Thailand. The address of its register office is 89 Soi Wat Suan Plu, Charoenkrung Road, Bangrak, Bangkok. The Company operates its business in Thailand, and its principal activity is hotel operations in Bangkok and Chiang Mai provinces. The Company’s ordinary shares are listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries, and associates are referred to as “the Group”.

These interim consolidated and company financial statements were authorised for issue by the Board of Directors on 9 August 2010.

These Group interim consolidated and company financial statements have been reviewed and not audited.

2 Basis of preparation

These interim consolidated and company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission (“SEC”). The primary financial statements (i.e., balance sheets, statements of income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the SEC. The notes to the financial statements are prepared in a condensed format according to Thai Accounting Standard (“TAS”) 34, “Interim Financial Reporting” (formerly TAS 41) and additional notes are presented as required by the SEC under the Securities and Exchange Act., B.E. 2535.

These interim consolidated and company financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2009.

Comparative figures have been adjusted to conform with changes in presentation in the current period.

An English version of the interim consolidated and company financial statements have been prepared from the interim financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial statements shall prevail.

3 Significant accounting policies

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2009.

New accounting standards, new financial reporting standards, amendments to accounting standards and accounting framework

a) Accounting framework

The amendments of accounting framework was announced by the Federation of Accounting Professions on 9 April 2010 and endorsed by the Government Gazette on 26 May 2010. It is effective on 26 May 2010.

3 Summary of significant accounting policies (continued)

New accounting standards, new financial reporting standards, amendments to accounting standards and accounting framework (continued)

b) New accounting standards, new financial reporting standards and amendments to accounting standards

The following new accounting standards, new financial reporting standards and amendments to accounting standards were announced by the Federation of Accounting Professions on 9 April 2010 and endorsed by the Government Gazette on 26 May 2010 are mandatory for the accounting periods beginning on or after 1 January 2011 and 1 January 2013, but the Group has not early adopted them:

Effective for the period beginning on or after 1 January 2011

TAS 1 (Revised 2009)	Presentation of Financial Statements
TAS 2 (Revised 2009)	Inventories
TAS 7 (Revised 2009)	Statement of Cash Flows
TAS 8 (Revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2009)	Events after the Reporting Period
TAS 11 (Revised 2009)	Construction Contracts
TAS 17 (Revised 2009)	Leases
TAS 23 (Revised 2009)	Borrowing Costs
TAS 24 (Revised 2009)	Related Party Disclosures
TAS 27 (Revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (Revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (Revised 2009)	Interests in Joint Ventures
TAS 33 (Revised 2009)	Earnings per Share
TAS 34 (Revised 2009)	Interim Financial Reporting
TAS 36 (Revised 2009)	Impairment of Assets
TAS 37 (Revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2009)	Intangible Assets
TAS 40 (Revised 2009)	Investment Property
TFRS 5 (Revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Effective for the period beginning on or after 1 January 2013

TAS 12	Income taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance

The Group's management has determined that the new accounting standards, new financial reporting standards and amendments to accounting standards will not significantly impact the financial statements being presented, except TAS 23, TAS 40 and TAS 12 which the Group's management is currently evaluating the effects of the standards. However, TAS 11, TAS 20, TAS 29, TAS 31 and TFRS 6 are not relevant to the Group.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

4 Seasonality of operations

The Group's operations are affected by the seasonality of the travel industry, with a high season running from September to March and a low season from April to August.

Shangri-La Hotel Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
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5 Segment information

The operations of the Group involve two main industry segments, the hotel business and investment holdings, and businesses are carried on both in Thailand and overseas. The overseas business comprises only investment holding activities and, during the six-month periods ended 30 June 2010 and 2009, there were no material activities pertaining to this investment holding segment. For this reason financial information by either industry segment or geographic area has not been presented.

6 Trade accounts receivable - net

The balances of trade accounts receivable as at 30 June 2010 and 31 December 2009 are classified by aging as follows:

	Consolidated		Company	
	30 June 2010 Baht'000	31 December 2009 Baht'000	30 June 2010 Baht'000	31 December 2009 Baht'000
Less than 120 days	55,411	102,756	55,411	102,756
120 - 180 days	1,429	301	1,429	301
Over 180 days	3,951	1,050	3,951	1,050
Total	60,791	104,107	60,791	104,107
<u>Less</u> Allowance for doubtful accounts	(1,220)	(1,351)	(1,220)	(1,351)
Trade accounts receivable - net	<u>59,571</u>	<u>102,756</u>	<u>59,571</u>	<u>102,756</u>

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7 Investments in subsidiaries - net

Investments in subsidiaries as at 30 June 2010 and 31 December 2009 comprise investments in the following companies:

Company's name	Country of incorporation	Nature of business	Paid-up capital	Company			
				Shareholding percentage (direct and indirect)		Cost	
				30 June 2010	31 December 2009	30 June 2010	31 December 2009
				Percent	Percent	Baht'000	Baht'000
Town Development Co., Ltd.	Thailand	Holding company	Baht 1,303 million	100.00	100.00	1,303,000	1,303,000
Apizaco Limited (Held by Town Development Co., Ltd.)	Hongkong	Holding company	HK\$ 206 million	100.00	100.00	-	-
Hasfield Holdings Pte., Ltd. (Held by Town Development Co., Ltd.)	Singapore	Holding company	S\$ 34 million	100.00	100.00	-	-
Zukerman Limited (Held by Apizaco Limited)	British Virgin	Holding company	US\$ 1	100.00	100.00	-	-
TRR - Kerry Development Co., Ltd. (Held by Town Development Co., Ltd.)	Thailand	Holding company	Baht 231 million	57.33	57.33	-	-
						1,303,000	1,303,000
<u>Less</u> Allowance for impairment on investments						(6,400)	(6,400)
Investments in subsidiaries - net						1,296,600	1,296,600

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8 Investments in associates

Investments in associates as at 30 June 2010 and 31 December 2009 comprise investments in the following companies :

Company's name	Country of incorporation	Nature of business	Consolidated					
			Shareholding percentage (direct and indirect)		Cost		Carrying amount based on equity method	
			30 June 2010	31 December 2009	30 June 2010	31 December 2009	30 June 2010	31 December 2009
			Percent	Percent	Baht'000	Baht'000	Baht'000	Baht'000
Associates (Held by Zukerman Limited)								
Traders Yangon Co., Ltd.	Myanmar	Hotel	23.53	23.53	28,845	29,782	-	-
Shangri-La Yangon Co., Ltd.	Myanmar	Not yet operational	22.22	22.22	17,050	17,604	-	-
Traders Square Co., Ltd.	Myanmar	Not yet operational	23.56	23.56	680	702	-	-
Total							-	-

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9 Investments in related parties

	Country of incorporation	Nature of business	Consolidated			
			Shareholding percentage (direct and indirect)		Cost	
			30 June 2010 Percent	31 December 2009 Percent	30 June 2010 Baht'000	31 December 2009 Baht'000
Related company - at cost Cuscaden Properties Pte., Ltd. (Held by Hasfield Holdings Pte., Ltd.)	Singapore	Hotel and commercial complex	14.60	14.60	382,946	392,950
Securities for sale - at fair value Shangri-La Asia Ltd. (Held by Apizaco Limited)	Bermuda	Holding company	0.38	0.38	360,932	372,659
<u>Add</u> Unrealised gain on changes in the value of investments					299,342	310,003
					660,274	682,662
Total					1,043,220	1,075,612

The movement of investments in related parties during the six-month period ended 30 June 2010 is as follows:

	Consolidated Baht'000
Beginning balance as at 1 January 2010	1,075,612
Unrealised loss on changes in the value of investment	(935)
Translation adjustments	(31,457)
Balance as at 30 June 2010	1,043,220

Dividend income

During the three-month and six-month periods ended 30 June 2010, the Group received dividend income from Shangri-La Asia Ltd. amounting to Baht 2.74 million.

During the three-month and six-month periods ended 30 June 2009, the Group received dividend income from Shangri-La Asia Ltd. amounting to Baht 4.91 million.

10 Investment in other company - net

	Consolidated	
	30 June 2010 Baht'000	31 December 2009 Baht'000
Don Muang Tollway Public Co., Ltd.	213,164	213,164
<u>Less</u> Allowance for impairment on investment	(93,792)	(93,792)
	<u>119,372</u>	<u>119,372</u>

Dividend income

During the three-month and six-month periods ended 30 June 2010, the Group received dividend income from Don Muang Tollway Public Co., Ltd. amounting to Baht 7.7 million (three-month and six-month periods ended on 30 June 2009: Nil).

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11 Investment in available-for-sale security

	Consolidated		Company	
	30 June 2010 Baht'000	31 December 2009 Baht'000	30 June 2010 Baht'000	31 December 2009 Baht'000
Ordinary shares for Post Publishing Public Co., Ltd.	50,107	50,107	50,107	50,107
Add Fair value reserve	(11,982)	1,089	(11,982)	1,089
	<u>38,125</u>	<u>51,196</u>	<u>38,125</u>	<u>51,196</u>

12 Related party transactions

The Company's ultimate parent is Shangri-La Asia Limited, incorporated in Bermuda, who indirectly holds 73.61% through its subsidiaries.

The significant investments in subsidiaries, associates and related parties are set out in notes 7, 8 and 9, respectively.

The following material transactions were carried out with related parties:

i) Transactions:

	Consolidated		Company		Pricing policy
	2010 Baht'000	2009 Baht'000	2010 Baht'000	2009 Baht'000	
For the three-month periods ended 30 June:					
Interest income	735	1,268	-	-	Per contract
Revenue from hotel operations	4,003	3,350	4,003	3,350	Normal business price closed to as charged to other customers
Royalty fee	8,079	7,375	8,079	7,375	Per contract
Marketing and promotion fees	1,978	1,574	1,978	1,574	Per contract
Advertising and reservation fees	3,449	953	3,449	953	Per contract
Interest expenses	2,964	-	2,964	-	Per contract
For the six-month periods ended 30 June:					
Interest income	1,467	2,510	-	-	Per contract
Revenue from hotel operations	9,546	9,399	9,546	9,399	Normal business price closed to as charged to other customers
Royalty fee	22,532	18,526	22,532	18,526	Per contract
Marketing and promotion fees	6,109	4,706	6,109	4,706	Per contract
Advertising and reservation fees	7,237	4,306	7,237	4,306	Per contract
Interest expenses	5,804	-	5,804	-	Per contract

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12 Related party transactions (continued)

The following material transactions were carried out with related parties: (continued)

ii) Outstanding balances:

	Consolidated		Company	
	30 June 2010 Baht'000	31 December 2009 Baht'000	30 June 2010 Baht'000	31 December 2009 Baht'000
Other receivable - related party				
<u>Related company</u>				
Shangri-La International Hotel Management Limited (Hong Kong)	-	9,330	-	9,330
Total	-	9,330	-	9,330
Loans to and accrued interest from related parties				
<u>Subsidiaries</u>				
TRR-Kerry Development Co., Ltd.	-	-	84,573	88,415
<u>Less</u> Allowance for loss on accrued interest	-	-	(84,573)	(88,415)
	-	-	-	-
<u>Associates</u>				
Non-interest bearing				
Traders Yangon Co., Ltd.	338,074	349,058	-	-
Shangri-La Yangon Co., Ltd.	235,830	243,492	-	-
Traders Square Co., Ltd.	43,778	45,201	-	-
	617,682	637,751	-	-
Interest bearing				
Traders Yangon Co., Ltd.	323,624	324,331	-	-
Shangri-La Yangon Co., Ltd.	19,798	20,441	-	-
	343,422	344,772	-	-
Total	961,104	982,523	-	-
<u>Less</u> Allowance for losses on loans	(885,853)	(914,635)	-	-
	75,251	67,888	-	-
<u>Related company</u>				
Cuscaden Properties Pte., Ltd.	404,451	413,527	-	-
	479,702	481,415	-	-

Shangri-La Hotel Public Company Limited
Unaudited Condensed Notes to the Interim Consolidated and Company Financial Statements
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12 Related party transactions (continued)

The following material transactions were carried out with related parties: (continued)

ii) Outstanding balances: (continued)

	Consolidated		Company	
	30 June 2010 Baht'000	31 December 2009 Baht'000	30 June 2010 Baht'000	31 December 2009 Baht'000
Short-term loan from a related party				
<u>Related company</u>				
Shangri-La Treasury Limited	488,796	498,600	488,796	498,600
	<u>488,796</u>	<u>498,600</u>	<u>488,796</u>	<u>498,600</u>
Amounts due to related parties				
<u>Associated company</u>				
Traders Yangon Co., Ltd.	5,165	5,827	5,165	5,827
<u>Related companies</u>				
Shangri-La International Hotel Management BV	5,121	18,117	5,121	18,117
Shangri-La International Hotel Management Limited (Hong Kong)	9,918	2,231	9,918	2,231
	<u>15,039</u>	<u>20,348</u>	<u>15,039</u>	<u>20,348</u>
	<u>20,204</u>	<u>26,175</u>	<u>20,204</u>	<u>26,175</u>

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

	Consolidated				Balance as at 30 June 2010 Baht'000
	For the six-month period ended 30 June 2010			Translation adjustments/ Unrealised gain Baht'000	
Balance as at 1 January 2010 Baht'000	Increase Baht'000	Decrease Baht'000			Balance as at 30 June 2010 Baht'000
<u>Associated companies</u>					
Non-interest bearing					
Traders Yangon Co., Ltd.	349,058	-	-	(10,984)	338,074
Shangri-La Yangon Co., Ltd.	243,492	-	-	(7,662)	235,830
Traders Square Co., Ltd.	45,201	-	-	(1,423)	43,778
Interest bearing					
Traders Yangon Co., Ltd.	324,331	9,562	-	(10,269)	323,624
Shangri-La Yangon Co., Ltd.	20,441	-	-	(643)	19,798
<u>Related company</u>					
Cuscaden Properties Pte., Ltd.	413,527	1,452	-	(10,528)	404,451
<u>Short-term loan from related party</u>					
Shangri-La Treasury Limited	498,600	-	-	(9,804)	488,796

Shangri-La Hotel Public Company Limited
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12 Related party transactions (continued)

During the current period, movements of loans to and accrued interest from related parties were as follows: (continued)

	Company				Balance as at 30 June 2010 Baht'000
	Balance as at 1 January 2010 Baht'000	For the six-month period ended 30 June 2010			
		Increase Baht'000	Decrease Baht'000	Unrealised gain Baht'000	
<u>Subsidiaries</u>					
TRR-Kerry Development Co., Ltd.	88,415	-	(3,842)	-	84,573
<u>Short-term loan from related party</u>					
Shangri-La Treasury Limited	498,600	-	-	(9,804)	488,796

Zukerman Limited, a subsidiary of Apizaco Limited, has investments in three associated companies in Myanmar, which are engaged in hotel business and the development of hotel and commercial complex. As at 30 June 2010, Zukerman Limited recorded total net investments in and loans to its associated companies of approximately Baht 75.3 million (31 December 2009: Baht 67.9 million). The hotel of one associate is currently operating and generates cash inflows, but two development projects have been suspended. Due to the situation in Myanmar, it is not possible to estimate when the two projects will resume. However, management considered that appropriate provisions have been made for these investments and loans.

Short-term loan from a related party has maturity in August 2010. This loan bears interest at a rate of LIBOR + 2.05% per annum with no collateral.

13 Property and equipment - net

Movements of the property and equipment during the six-month period ended 30 June 2010 are summarised below:

	Consolidated Baht'000	Company Baht'000
Net book value as at 1 January 2010	3,868,509	3,866,655
Acquisitions during period - at cost	362,611	362,611
Disposal during period - at net book value	(48)	(48)
Write-off - at net book value	(3,947)	(3,947)
Depreciation for the period	(254,250)	(254,250)
Net book value as at 30 June 2010	3,972,875	3,971,021

The Company has mortgaged land and construction located in Chiang Mai with a total net book value as at 30 June 2010 of Baht 1,168 million (31 December 2009: Baht 1,198 million) as collateral against credit facilities received from a domestic bank.

The balance as of 30 June 2010 includes property and equipment of Shangri-La Hotel, Chiang Mai amounting to Baht 1,732 million (31 December 2009: Baht 1,831 million).

14 Dividends

For the six-month period ended 30 June 2010

At the Annual General Meeting of shareholders held on 29 April 2010, the shareholders approved the annual dividend payment from the retained earnings at Baht 0.75 per share totalling of Baht 97.5 million. The annual dividend payment was made on 25 May 2010.

For the six-month period ended 30 June 2009

At the Annual General Meeting of shareholders held on 28 April 2009, the shareholders approved the annual dividend payment from the net profit of the Company for the year ended on 31 December 2008 at Baht 1.00 per share totalling of Baht 130 million. The annual dividend payment was made on 27 May 2009.

15 Commitments and contingent liabilities

15.1 Capital commitments

As at 30 June 2010, the Company had capital commitments in respect of construction and renovation of the building of Shangri-La Hotel, Bangkok amounting to approximately Baht 232.33 million (31 December 2009: Baht 444.98 million).

Subsidiaries have no capital commitments as at 30 June 2010 and 31 December 2009.

15.2 Guarantees

As at 30 June 2010, there were outstanding bank guarantees of approximately Baht 9.46 million (31 December 2009: Baht 9.46 million) issued by banks on behalf of the Company in respect of letters of guarantee for electricity usage.

There were no outstanding bank guarantees of subsidiaries as at 30 June 2010 and 31 December 2009.

(Reviewed Quarter-2 and Consolidated F/S (F45-3))

Report: Reviewed Quarterly Financial Statements

Name SHANGRI-LA HOTEL PUBLIC COMPANY LIMITED

	Reviewed (In thousands)			
	Ending		30 June	
The Consolidated Financial Statement				
	Quarter 2		For 6 Months	
Year	2010	2009	2010	2009
Net profit (loss)	(71,563)	(97,279)	(31,618)	(94,094)
EPS (baht)	(0.55)	(0.75)	(0.24)	(0.72)

The Company Financial Statement

	Quarter 2		For 6 Months	
Year	2010	2009	2010	2009
Net profit (loss)	(85,799)	(101,414)	(46,252)	(98,166)
EPS (baht)	(0.66)	(0.78)	(0.36)	(0.76)

Type of report:

Unqualified Opinion

Comment: Please see details in financial statements, auditor's report and remarks from SET SMART

"The company hereby certifies that the information above is correct and complete. In addition, the company has already reported and disseminated its financial statements in full via the SET Electronic Listed Company Information Disclosure (ELCID), and has also submitted the original report to the Securities and Exchange Commission."

Signature _____

(Mrs. Pavinee Meensuk)

Position Director and Company Secretary

Authorized to sign on behalf of the company

To : Managing Director
The Stock Exchange of Thailand

Date : August 9, 2010

Re : Clarification for decrease for more than 20% in the net loss of Shangri-La Hotel Public Company Limited (“the Company”) for the three-month period ended June 30, 2010 when compared to the corresponding period of 2009

The Board of Directors is pleased to announce the Company’s results for the three-month period ended June 30, 2010 as follows:-

Net loss after corporate income tax for the three-month period ended June 30, 2010 and 2009:

(Baht in million)	<u>2010</u>	<u>2009</u>	<u>Change (%)</u>
The Company	(85.80)	(101.41)	15.39%
Consolidated	(71.56)	(97.28)	26.44%

The Company:

The Company’s loss before corporate income tax for the three-month period ended June 30, 2010 increased by Baht 15.57 million against the corresponding period last year. The increase in the Company’s loss of Baht 15.57 million was attributed to an increase in loss of Shangri-La Hotel, Bangkok (“SLBK”) by Baht 13.39 million plus an increase in loss of Shangri-La Hotel, Chiang Mai (“SLCM”) by Baht 2.18 million. Revenues from hotel operation of SLBK increased by Baht 23.68 million to Baht 183.71 million from Baht 160.03 million during the same period last year. Income before expenses increased by Baht 26.94 million. Selling and administrative expenses and other expenses excluded depreciation increased by Baht 4.01 million whereas depreciation increased by Baht 31.40 million against the same period last year due to the increase of assets from hotel renovation. Finance cost also increased by Baht 4.92 million. As a result, the loss before corporate income tax increased by Baht 13.39 million from Baht 39.13 million to Baht 52.52 million.

Revenues from hotel operation of SLCM increased by Baht 5.05 million to Baht 25.32 million from Baht 20.27 million during the same period last year. Income before expenses increased by Baht 1.21 million, selling and administrative expenses and depreciation increased by Baht 3.58 million. As a result, the loss before corporate income tax increased by Baht 2.18 million from Baht 63.08 million to Baht 65.26 million. Consequently, the total loss before corporate income tax of SLBK and SLCM was Baht 117.78 million (increased by Baht 15.57 million) and the Company has no corporate income tax for this period. However, the Company recorded a higher amount of corporate income tax revenue for loss carried forward as a tax benefit for future years of Baht 31.19 million. As a result, the Company recorded a net loss after tax of Baht 85.80 million for the three-month period ended June 30, 2010 from a loss of Baht 101.41 million which decreased by Baht 15.61 million against the corresponding period of last year (decreased by 15.39%).

Consolidated:

The consolidated loss before corporate income tax for the three-month period ended June 30, 2010 increased by Baht 4.40 million against the corresponding period last year. The increase in consolidated loss before corporate income tax of Baht 4.40 million was attributed to the increase in the Company’s net loss before corporate income tax of Baht 15.57 million whereas the income of subsidiaries increased by Baht 11.18 million. The corporate income tax revenue for loss carried forward as a tax benefit for future years increased by Baht 30.11 million. As a result, the consolidated net loss after tax for the three-month period ended June 30, 2010 reduced by Baht 25.72 million against the corresponding period last year (decreased by 26.44%).

Yours faithfully,

Mrs. Pavinee Meensuk
Director and Company Secretary

To : Managing Director
The Stock Exchange of Thailand

Date : August 9, 2010

Re : Clarification for decrease for more than 20% in the net loss of Shangri-La Hotel Public Company Limited (“the Company”) for the six-month period ended June 30, 2010 when compared to the corresponding period of 2009

The Board of Directors is pleased to announce the Company’s results for the six-month period ended June 30, 2010 as follows:-

Net loss after corporate income tax for the six-month period ended June 30, 2010 and 2009:

(Baht in million)	<u>2010</u>	<u>2009</u>	<u>Change (%)</u>
The Company	(46.25)	(98.17)	52.89%
Consolidated	(31.62)	(94.09)	66.39%

The Company:

The Company’s loss before corporate income tax for the six-month period ended June 30, 2010 decreased by Baht 33.63 million against the corresponding period last year. The decrease in the Company’s loss was attributed to an increase in profit of Shangri-La Hotel, Bangkok (“SLBK”) by Baht 18.04 million plus a decrease in loss of Shangri-La Hotel, Chiang Mai (“SLCM”) by Baht 15.59 million. The increase in SLBK’s profit was from the rise in room revenues, food and beverage revenues and other revenues after hotel renovation on its restaurants, function rooms and some guest rooms. Revenues from hotel operation of SLBK increased by Baht 124.98 million to Baht 568.36 million from Baht 443.38 million during the same period last year. Income before expenses increased by Baht 108.17 million. Selling and administrative expenses and other expenses excluded depreciation increased by Baht 18.26 million whereas depreciation increased by Baht 62.17 million against the same period last year due to the increase of assets from hotel renovation. Finance cost also increased by Baht 9.70 million. As a result, the profit before corporate income tax increased by Baht 18.04 million.

Revenues from hotel operation of SLCM increased by Baht 28.80 million to Baht 76.88 million from Baht 48.08 million during the same period last year. Income before expenses increased by Baht 22.64 million, selling and administrative expenses and depreciation increased by Baht 7.54 million. Finance cost decreased by Baht 0.49 million. As a result, the loss before corporate income tax decreased by Baht 15.59 million from Baht 124.21 million to Baht 108.62 million. Consequently, the total loss before corporate income tax of SLBK and SLCM decreased by Baht 33.63 million to Baht 64.54 million and the Company has no corporate income tax for this period. However, the Company recorded a higher amount of corporate income tax revenue for loss carried forward as a tax benefit for future years of Baht 18.29 million. As a result, the Company recorded a decreased in net loss after tax of Baht 51.92 million for the six-month period ended June 30, 2010 (decreased by 52.89%).

Consolidated:

The consolidated loss before corporate income tax for the six-month period ended June 30, 2010 decreased by Baht 45.19 million against the corresponding period last year. The reduction in consolidated loss before corporate income tax of Baht 45.19 million was attributed to the decrease in the Company’s net loss before corporate income tax of Baht 33.63 million whereas the income of subsidiaries increased by Baht 11.56 million. The corporate income tax revenue for loss carried forward as a tax benefit for future years increased by Baht 17.29 million. As a result, the consolidated net loss after tax for the six-month period ended June 30, 2010 reduced by Baht 62.47 million against the corresponding period last year (decreased by 66.39%).

Yours faithfully,

Mrs. Pavinee Meensuk
Director and Company Secretary



Shangri-La hotel
BANGKOK

To : Managing Director
The Stock Exchange of Thailand

Date : August 9, 2010

Re : 1) Renewal of existing US\$ 15 million loan granted by Shangri-La Treasury Limited for another 9 months
2) Granting of a proportionate shareholders' loan of US\$ 294,125 to Traders Yangon Company Limited

Dear Sirs,

The Board of Directors of Shangri-La Hotel Public Company Limited ("the Company") would like to inform you of the following resolutions passed at its Board Meeting No. 3/2010 held on August 9, 2010:-

- 1) The renewal of an existing US\$ 15 million loan granted by Shangri-La Treasury Limited, a company incorporated in Labuan, Malaysia and is a wholly-owned subsidiary of Shangri-La Asia Limited, on substantially the same terms and conditions for another term of 9 months commencing from September 1, 2010 be approved.
- 2) The granting of a proportionate shareholders' loan for the amount of US\$ 294,125 to Traders Yangon Company Limited by Zukerman Limited, a wholly-owned subsidiary of Apizaco Limited which in turn is a wholly-owned subsidiary of the Company, be ratified.

The above transactions constitute connected transactions pursuant to "Notification of the Board of Governors of the Stock Exchange of Thailand" regarding "Disclosure of Information and Acts of Listed Companies Concerning the Connected Transactions, 2003 (Complete version) and (No. 2), 2004". The Board of Directors of the Company hereby forward the Information Memorandum in respect of the said connected transactions for your information.

Yours faithfully,

Mrs. Pavinee Meensuk
Director and Company Secretary

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

1. The transaction and parties involved:

The Board of Directors of Shangri-La Hotel Public Company Limited (“the Company”) resolved at its meeting No. 3/2010 held on August 9, 2010 approving for the Company to renew an existing US\$ 15 million loan granted by Shangri-La Treasury Limited (“STL”), a company incorporated in Labuan, Malaysia and is a wholly-owned subsidiary of Shangri-La Asia Limited (“SA”), on substantially the same terms and conditions for another term of 9 months commencing from September 1, 2010.

2. Purpose of the facility:

The facility from STL has been used as a bridging loan for meeting funding requirements of the Company for renovation of Shangri-La Hotel, Bangkok, Main Wing before the Company draws down a Baht 800 million loan granted by a local bank under a Long Term Loan Facility Agreement whereby the interest rate charged by this local bank is higher.

3. Total values of transaction:

The principal of the loan granted by STL is US\$ 15 million which is equivalent to approximately Baht 500 million. Such loan will bear an interest rate of LIBOR+2.05% per annum (withholding tax on interest paid will be responsible by STL). The term of the loan is 9 months. The total amount of the interest to be paid to STL will be approximately US\$ 0.28 million (based on LIBOR at 0.44% per annum for a period of 9 months) which is equivalent to approximately Baht 9.00 million and represents approximately 0.17% of the Company’s Net Tangible Asset Value as at June 30, 2010 (the Net Tangible Asset Value of the Company as at June 30, 2010 was Baht 5,227.52 million).

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

The Company is a 73.61% owned subsidiary of SA while STL is a wholly-owned subsidiary of SA. STL is therefore a connected person of the Company under the “Notification of the Board of Governors of the Stock Exchange of Thailand” regarding “Disclosure of Information and Acts of Listed Companies Concerning the Connected Transactions, 2003 (Complete version) and (No. 2), 2004”. Mr. Kuok Khoon Ean and Mr. Maris Pakdeetaveevivat who are members of SA’s Board of Directors are also directors of the Company. Furthermore, Mr. Maris Pakdeetaveevivat is a member of STL’s Board of Directors.

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

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

1. Mr. Kuok Khoon Ean (a common director of the Company and SA); and
2. Mr. Maris Pakdeetaveevivat (a common director of the Company, SA and STL).

The Board of Directors of the Company including the Audit Committee and the independent directors are of the view that the terms including interest rate of the loan facility from STL are on normal commercial terms, fair and reasonable and the renewal of the loan is in the interest of the Company and its shareholders as a whole.

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

1. The transaction and parties involved:

The Board of Directors of Shangri-La Hotel Public Company Limited (“the Company”) resolved at its meeting No. 3/2010 held on August 9, 2010, ratifying Zukerman Limited (“Zukerman”), a wholly-owned subsidiary of Apizaco Limited (“Apizaco”) which in turn is a wholly-owned subsidiary of the Company, to grant a proportionate shareholders’ loan to Traders Yangon Company Limited (“THYN”)

2. Purpose of the proportionate shareholders’ loan:

The proportionate shareholders’ loan granted to THYN is for the purpose of meeting its funding requirements.

3. Total value of the transaction:

Zukerman holds 23.53% interest in THYN. The amount of the loan in proportion to Zukerman’s shareholding interest in THYN is US\$ 294,125 which is equivalent to approximately Baht 9,500,000 and represents approximately 0.18% of the Company’s Net Tangible Asset Value as at June 30, 2010 (the Net Tangible Asset Value of the Company as at June 30, 2010 was Baht 5,227.52 million). The said loan will carry interest at the rate of 0.92% per annum and shall be repayable on demand by the shareholders of THYN who are holding in aggregate not less than 51% interest of THYN.

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

The Company is a 73.61% owned subsidiary of Shangri-La Asia Limited (“SA”). Shangri-La Hotel Limited (“SLS”) and Shangri-La Hotels (Malaysia) Berhad (“SLM”) which are subsidiaries of SA, hold a combined shareholding interest of approximately 50% in THYN through their respective wholly-owned subsidiaries and are therefore connected persons of the Company according to the “Notification of the Board of Governors of the Stock Exchange of Thailand” regarding “Disclosure of Information and Acts of Listed Companies Concerning the Connected Transactions, 2003 (Complete version) and (No. 2), 2004”. Furthermore, Mr. Kuok Khoon Ean and Mr. Maris Pakdeetaveevivat who are members of SA’s Board of Directors are also directors of the Company. In addition, Mr. Maris Pakdeetaveevivat is also a director of Apizaco and Zukerman. Madam Kuok Oon Kwong, who is a member of the Board of Directors of SLS and SLM, is also a director of THYN, Apizaco, Zukerman and the Company.

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

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

1. Mr. Maris Pakdeetaveevivat (a common director of the Company, Apizaco, Zukerman and SA);
2. Madam Kuok Oon Kwong (a common director of the Company, Apizaco, Zukerman, THYN, SLS and SLM); and
3. Mr. Kuok Khoon Ean (a common director of the Company and SA).

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