

To : Managing Director
The Stock Exchange of Thailand

Date : May 9, 2022

Re : Management Discussion and Analysis for the period ended March 31, 2022

The Board of Directors is pleased to announce the Company's results of operation for the period ended March 31, 2022 as follows: -

Net loss after corporate income tax for the period ended March 31, 2022 and 2021:

(Baht in million)	<u>2022</u>	<u>2021</u>	<u>Change</u>
The Company	78.78	106.79	(26.23)%
Consolidated	84.63	84.02	0.73%

The Company:

The Company's loss before corporate income tax benefits for the period ended March 31, 2022 decreased by Baht 54.74 million against the corresponding period of last year. The decrease in the Company's loss was mainly attributed to the decrease in loss before income tax benefits of Shangri-La Hotel, Bangkok ("SLBK") by Baht 49.08 million and decrease in loss of Shangri-La Hotel, Chiang Mai ("SLCM") by Baht 5.66 million.

Revenues from hotel operations of SLBK increased by Baht 38.93 million from Baht 58.74 million to Baht 97.67 million mainly due to the increase in all types of revenue including room, food & beverages and other revenue resulting from higher occupancy. Gross Profit before expenses increased by Baht 33.15 million. Selling and administrative expenses increased by Baht 3.31 million and Baht 9.74 million, respectively. Depreciation expense decreased by Baht 5.50 million against last year. Finance cost decreased by Baht 21.00 million mainly due to decrease in unrealized exchange loss US Dollar loan compared to 2021. As a result, the loss before corporate income tax benefits decreased by Baht 49.08 million from Baht 95.12 million to Baht 46.04 million.

Loss before corporate income tax benefits of SLCM decreased by Baht 5.66 million as compared to 2021, mainly attributed to higher revenues from hotel operations by Baht 9.25 million from Baht 16.22 million to Baht 25.47 million as a result of higher room occupancy and average room rates in 2022. Gross Profit before expenses increased by Baht 7.47 million. Selling and administrative expenses increased by Baht 0.67 million and Baht 2.77 million, respectively. Depreciation Expenses decreased by Baht 1.59 million against last year. As a result, the loss before corporate income tax benefits decreased by Baht 5.66 million from Baht 38.40 million to Baht 32.74 million.

Consequently, the total loss of SLBK and SLCM before corporate income tax benefits decreased by Baht 54.74 million from Baht 133.52 million to Baht 78.78 million. The corporate income tax benefits decreased by Baht 26.73 million as compared to 2021 due to record the deferred tax asset regarding loss before income tax in first quarter of 2021. The Company recorded a net loss after tax benefits of Baht 78.78 million for the period ended March 31, 2022 compared to loss of Baht 106.79 million last year (decreased by 26.23%).

Consolidated:

The consolidated loss before corporate income tax benefits for the period ended March 31, 2022 decreased by Baht 26.40 million against last year. The decrease in consolidated loss before corporate income tax benefits was due to decrease in the Company's loss before corporate income tax benefits of Baht 54.74 million and increase in loss from subsidiaries by Baht 28.34 million. The increase in loss of subsidiaries was due to the impairment losses on financial assets and share of losses investments in associates. As a result, the corporate income tax benefits decreased by Baht 27.00 million. Overall, the consolidated net loss after tax benefits attributable to the equity holders of the Company for the period ended March 31, 2022 increased by Baht 0.61 million against last year (increased by 0.73%).

Yours faithfully,

(Mrs. Pavinee Meensuk)
Director